

SENATE

TUESDAY, MARCH 16, 1954

(Legislative day of Monday, March 1, 1954)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God our Father, we thank Thee for the unquenchable impulse toward Thee that Thou hast implanted within us. Open our eyes to see Thee, not just out on the rim of the universe, where we may discern the hem of Thy garment in some distant star, but in human love which touches and hallows our own lives and which, at best, bears witness to Thee and alone can heal the hurt of the world. We would follow the Lord of these Lenten days, in whose steadfast face we read that the secret of life's fulfillment is found not in storing strength, but in pouring it out for others.

We are awed, and not exalted, by the solemn summons to our dear land in this day of destiny by her dedicated moral and material might to prevent the polluting scourge of slavery from covering the earth. We believe that in Thy will America has come to the kingdom for such a time as this. We pray for fidelity not to shirk the issues of these momentous days. For this crusade in all the earth may we cause our democracy at home to shine with a new glory as without fear or favor we practice our conquering creed. In the Redeemer's name we ask it. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Monday, March 15, 1954, was dispensed with.

MESSAGES FROM THE PRESIDENT—
APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

S. 303. An act for the relief of Felix S. Schorr and his wife, Lilly Elizabeth Schorr; and

S. 827. An act for the relief of Matthew J. Berckman.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed the bill (S. 1548) to provide for the exchange between the United States and the Commonwealth of Puerto Rico of certain lands and interests in lands in Puerto Rico, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 63) requesting

churches and synagogues to give special prayers on Easter Sunday for those denied freedom to worship behind the Iron Curtain, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 1005. An act to authorize the establishment of the Fort Union National Monument, in the State of New Mexico, and for other purposes;

H. R. 1067. An act to authorize the Supreme Court of the United States to make and publish rules for procedure on review of decisions of the Tax Court of the United States;

H. R. 2974. An act to extend the time for enrollment of the Indians of California, and for other purposes;

H. R. 4481. An act to authorize enrolled members of the Gros Ventre and Assiniboine Tribes of the Fort Belknap Reservation, Mont., to acquire interests in tribal lands of the reservation, and for other purposes;

H. R. 4721. An act to provide that the excess-land provisions of the Federal reclamation laws shall not apply to lands in the Owl Creek unit of the Missouri Basin project;

H. R. 6154. An act to authorize payment of salaries and expenses of officials of the Fort Peck Tribes;

H. R. 6280. An act to extend temporarily the rights of priority of nationals of Japan and certain nationals of Germany with respect to applications for patents;

H. R. 7057. An act to authorize the Secretaries of Agriculture and Interior to transfer, exchange, and dispose of land in the Eden project, Wyoming, and for other purposes;

H. R. 7786. An act to honor veterans on the 11th day of November of each year, a day dedicated to world peace;

H. R. 8092. An act to facilitate the entry of Philippine traders;

H. R. 8193. An act to amend the Refugee Relief Act of 1953; and

H. J. Res. 347. Joint resolution giving the consent of Congress to an agreement between the State of Alabama and the State of Florida establishing a boundary between such States.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 79. An act to authorize the Secretary of the Interior to cooperate with the State of Kentucky to acquire non-Federal cave properties within the authorized boundaries of Mammoth Cave National Park in the State of Kentucky, and for other purposes;

S. 489. An act to direct the Secretary of the Army to convey certain land located in Windsor Locks, Conn., to the State of Connecticut;

S. 1827. An act to authorize the Secretary of the Army to disclaim any interest of the United States in and to certain property located in the State of Washington;

S. 2111. An act to permit the flying of the flag of the United States for 24 hours of each day in Flag House Square, Baltimore, Md.;

S. 2348. An act to repeal the act entitled "An act to authorize the Director of the Census to collect and publish statistics of redcedar shingles";

H. R. 752. An act for the relief of Francoise Bresnahan;

H. R. 2214. An act for the relief of Jaroslav, Bozena, Yvonka, and Jarka Ondricek; and

H. R. 5976. An act to amend section 1 of the Natural Gas Act.

ADDRESS BY THE PRESIDENT OF
THE UNITED STATES

Mr. KNOWLAND. Mr. President, I ask unanimous consent that there be printed in the body of the RECORD the text of the address delivered by the President of the United States at the White House last night, Monday evening, March 15.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Good evening. I would like to talk with you tonight about something that concerns each of us personally and directly—especially on March 15. I want to talk about our taxes—and about the new tax program that the Congress will debate this week.

We recognize, of course, that taxes are necessary. We know that through taxes our Government gets the money to carry on its necessary functions. The most costly is defense.

Only at our peril may we pursue a penny-wise and pound-foolish policy in regard to the Nation's security. In the past year, we have been able to make real savings in defense costs. But despite these savings, 70 cents out of each dollar spent by your Government still go for defense purposes.

The remaining 30 cents go for many things: to meet our obligations to veterans—to carry on important activities overseas—to pay the interest on the gigantic public debt—and to do within our country what Abraham Lincoln described as "those things which the individual cannot do at all or so well do for himself."

I know how burdensome your taxes have been and continue to be. We are watching every expenditure of Government—to eliminate waste, duplication, and luxury. But while we are insisting upon good management and thrift in Government, we have, at the same time, asked the Congress to approve a great program to build a stronger America for all our people.

Thus: We want to improve and expand our social-security program.

We want a broader and stronger system of unemployment insurance.

We want more and better homes for our people.

We want to do away with slums in our cities.

We want to foster a much-improved health program.

We want a better and a lasting farm program, with better reclamation and conservation.

We want an improved Taft-Hartley Act to protect workers and employers.

We want wider markets overseas for our products.

We want, above all, maximum protection of freedom and a strong and growing economy; an economy free from both inflation and depression.

Most of these things cost money. Without adequate revenue, most of them would be abandoned or curtailed. That is why our tax proposal is the cornerstone of our whole effort. It is a tax plan designed to be fair to all. I am sure you join me in the hope that the Congress, before it adjourns, will approve this entire program.

Along with this great plan for America, we want also to reduce your taxes so you can save or spend more of your own money, as you personally desire.

Now, to reduce taxes, we had to find some way of saving money, for despite many years of heavy taxation, our Government has been running deeper and deeper into debt. A year ago, this administration inherited a budget calling for a spending program that we have since reduced by \$12 billion. Of this

total saving, \$7 billion is being made this year.

Now, \$7 billion is so much money, even in Washington, that it's hard to know what it really means. Let's see if we can get some idea of how much it is.

The money American farmers got last year for all the corn and all the wheat grown in our entire country was \$7 billion.

The money Americans paid in all of last year for household utilities and for fuel amounted to \$7 billion.

The money Americans pay each year for doctor, dentist, medical, and hospital bills is \$7 billion.

I think you will agree that we have, indeed, saved a lot of money. Without these savings, there could have been no tax relief for anyone. Because of these savings, your tax cuts were possible.

On January 1 this year your taxes were cut by \$5 billion. The tax-revision program now in Congress will cut taxes by over \$1½ billion more. The total may be nearly \$7 billion. Thus, the Government is turning back to you about all that we expect to save this year. Meanwhile, we are seeing to it that the Government deficit, instead of growing, may continue to shrink.

Now, in the light of all this, let's look at the tax program now in Congress.

To start with, it is the first time in half a century that our tax laws have been completely overhauled. This long-overdue reform of old tax laws brings you benefits which go beyond the tax reductions I have just mentioned. Millions of individual taxpayers, many of you listening, will benefit. Here are some examples:

You will have larger deductions for your medical expenses.

There will be special deductions for the cost of child care for those among you who are widows who work.

Fairer tax treatment for the widows of policemen and firemen and others who have fraternal or private pension plans.

Fairer tax consideration for those of you who are retired.

Deductions of up to \$100 a week for those of you receiving sickness or accident benefits.

There are, in addition, important provisions to encourage the growth and expansion of industry, the creation of jobs, and the starting of new and small businesses.

One of these provisions is of particular interest to those among you who have made or want to make investments to help meet the expenses of a growing family or of old age. We propose to reduce double taxation by exempting this year the first \$50 and deducting 5 percent of the balance of dividend income, and double those amounts thereafter.

This will be important to all of us, whether our savings are large or small. It will encourage Americans to invest in their country's future. And let us remember this: The average investment needed to buy the tools and facilities to give one of our people a job runs about eight to ten thousand dollars. The more we can encourage savings and investments, the more prosperous will be 160 million American citizens.

Just as we need more spending by consumers, so we need buyers for items produced by heavy industry—for lathes and looms and giant generators. The making of these things gives jobs to millions of our people. This carefully balanced tax program will encourage this kind of production. It will make new jobs, larger payrolls, and improved products. It will give us lower price tags on many of the things we want and need.

And here is another important part of this program. It concerns the income tax on corporations. Under the law, this tax would be reduced 2 weeks from today. I have asked the Congress to keep this tax at 52 percent and not to permit it to go down to 47 percent at this time. The extension of this extra tax on corporations will provide enough money

to pay the costs of the benefits this tax revision program will bring to individuals and business.

So, there you have, in broad outline, the new tax revision program. I most earnestly hope that the Congress will pass it.

But—this is an election year. Some think it is good politics to promise more and more Government spending, and at the same time, more and more tax cuts for all. We know, from bitter experience, what such a policy would finally lead to. It would make our dollars buy less. It would raise the price of rent, of clothing, and of groceries. It would pass on still larger debts to our children.

Some have suggested raising personal income-tax exemptions from \$600 to \$800, and soon to \$1,000, even though the Federal budget is not in balance. You've seen this kind of deal before. It looks good on the surface but it looks a lot different when you dig into it.

The \$1,000 exemption would excuse 1 taxpayer in every 3 from all Federal income taxes. The share of that one-third would have to be paid by the other two-thirds.

I think this is wrong. I am for everybody paying his fair share.

When the time comes to cut income taxes still more, let's cut them. But I do not believe that the way to do it is to excuse millions of Americans from paying any income tax at all.

The good American doesn't ask for favored position or treatment. Naturally he wants all fellow citizens to pay their fair share of the taxes, and he wants every cent collected to be spent wisely and economically. But every real American is proud to carry his share of the burden. In war and peace, I have seen countless examples of American pride and of the unassuming but inspiring courage of young American citizens. I simply don't believe for 1 second that anyone privileged to live in this country wants someone else to pay his own fair and just share of the cost of his Government.

Aside from that, let's just be practical. The loss of revenue involved in this proposal would be a serious blow to your Government.

A \$100 increase in the exemption would cost the Government \$2½ billion. To increase the personal exemption to \$1,000 would cost \$8 billion. This, of course, would be on top of the large tax cuts our savings have already made possible this year.

I must and will oppose such an unsound tax proposal. I most earnestly hope that it will be rejected by the Congress. I hope you feel the same.

Every dollar spent by the Government must be paid for either by taxes or by more borrowing with greater debt. To make large additional savings in the cost of Government at this moment means seriously weakening our national defense. I do not know any friend of the United States who wants that, under present world conditions. The only other way to make more tax cuts now is to have bigger and bigger deficits and to borrow more and more money. Either we or our children will have to bear the burden of this debt. This is one kind of chicken that always comes home to roost. An unwise tax cutter, my fellow citizens, is no real friend of the taxpayer.

Now, this evening, I mustn't overlook those among us who are professionally faint-hearted. They have been arguing lately that we are on the very brink of economic disaster. Viewing with gloom is only to be expected in the spring of an election year. The truth is, we do not have a depression. And what's more, as I have said time and time again, your Government will continue to use its full powers to make sure that we don't have one.

A month ago, I expressed to the Congress my belief that we would be able to go from wartime to peacetime conditions without serious economic trouble. Nothing has happened since to change my mind.

Some unemployment has developed in different parts of the country, but the Nation as a whole continues to be prosperous. Unemployment has reached about the level it was in the spring of 1950. The broad program I have proposed to the Congress will strengthen our economy. When it is approved by Congress, it will both increase the number of jobs and make every man secure in the job that he has.

Of course, everyone wants tax reductions of the right kind, at the right time. That specifically includes this administration. This has been proved by the large tax cuts we have already made possible this year. But economic conditions do not call for an emergency program that would justify larger Federal deficits and further inflation through large additional tax reductions at this time.

My friends, a century and a half ago, George Washington gave us some good advice. He said we should keep a good national defense. He also said we should not ungenerously impose upon our children the burden which we ourselves ought to bear.

I know you and I agree with him on these points.

We agree, too, on efficiency in Government, and a forward-looking program for a stronger America—an America whose people know good health and prosperity—and who are secure, day and night, from fear at home or abroad. That is the aim of this tax program.

That goal, my fellow citizens, is a goal worthy of our people.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that immediately following the quorum call there may be the customary morning hour for the transaction of routine business, under the usual 2-minute limitation on speeches.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

SUSPENSION OF DEPORTATION OF ALIENS

The PRESIDENT pro tempore laid before the Senate two letters from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending the deportation of certain aliens, together with a statement of the facts and pertinent provisions of law as to each alien, and the reasons for ordering such suspension, which, with the accompanying papers, were referred to the Committee on the Judiciary.

PETITIONS

The PRESIDENT pro tempore laid before the Senate letters and papers in the nature of petitions from sundry citizens and organizations in Puerto Rico, condemning the action of certain persons in

attempting to assassinate Members of the House of Representatives, which were referred to the Committee on the Judiciary.

LITHUANIAN INDEPENDENCE— RESOLUTION

Mr. KENNEDY. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted at the patriotic exercises marking the 36th anniversary of the declaration of Lithuanian independence, at St. Casimir's Hall in Westfield, Mass., on February 28, 1954.

There being no objection, the resolution was referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

WESTFIELD, MASS., February 28, 1954.
The Honorable JOHN F. KENNEDY,
United States Senate,
Washington, D. C.

DEAR SENATOR KENNEDY: February 16, 1954, marked the 36th anniversary of the declaration of Lithuanian independence. To commemorate the event with appropriate patriotic exercises, the priests and people of St. Casimir parish in Westfield, Mass., and their guests from the surrounding cities and towns assembled together at St. Casimir's Hall in Westfield on February 28, 1954. In the course of the celebration, those assembled unanimously adopted the following resolutions:

"Whereas the Republic of Lithuania was unjustly deprived of her independence by and contrary to all humane and democratic principles, and was forcibly annexed to Soviet Russia in 1940—an annexation which has never been recognized by the United States Government; and

"Whereas since 1940 the Soviet Government has followed a ruthless policy of annihilation of Lithuania's people, her culture, her religion, and her political, educational, economic, and agricultural institutions and in so doing has perpetrated the international crime of genocide; and

"Whereas during the period of independence between the two world wars Lithuania had pursued a policy of neutrality and had made tremendous progress in the fields of education, economy, agriculture, and other fields of endeavor, a fact which more than adequately proves that Lithuania is certainly capable of self-rule and hence deserves a place among the free and independent nations of the world; and

"Whereas the United States has always followed a democratic policy based on the principle that a true and lasting peace cannot exist in the world unless the peoples of every nation, be it large or small, are permitted to determine for themselves, their own form of government, without the interference of any outside source; and

"Whereas Soviet Russia absolutely refuses to stop the persecution of religion in Lithuania, to exile her freedom-loving people into the cold, bleak wastes of Siberia, to plunder her people and institutions and to separate the members of one family, one from the other: Now, therefore, be it

"Resolved, That we express our profound and sincere gratitude to the United States of America for the tremendous support it has given to Lithuania by refusing to recognize the unjust enslavement of the Republic of Lithuania by the Soviet Union and by continuing to recognize the diplomatic representatives of Lithuania in the United States; be it further

"Resolved, That the Government of the United States ratify the Genocide Convention and take the steps necessary to punish

the Soviet Union for the perpetration of the international crime of genocide on Lithuania; be it further

"Resolved, That the United States insist upon a seat for Lithuanian representatives in the United Nations and through the United Nations force the Soviet Union to stop the wholesale plunder of the people and the institutions of Lithuania and to cease immediately the exile of Lithuanian nationals into Siberia; be it further

"Resolved, That the Soviet Union be forced by the free nations of the world to return to the land of Lithuania all those Lithuanians who have been exiled to Siberia and other parts of the world; be it further

"Resolved, That the United States use its high influence to bring about the immediate restoration of the independence of Lithuania, an event which would be a step in the right direction toward a just and lasting peace for the entire world; be it further

"Resolved, That copies of these resolutions be forwarded to the President of the United States, His Excellency the Honorable Dwight D. Eisenhower; to the Secretary of State, the Honorable John Foster Dulles; to the United States Ambassador to the United Nations, the Honorable Henry Cabot Lodge, Jr.; to the Senators of Massachusetts, the Honorable Everett Saltonstall and the Honorable John F. Kennedy; to the Representative from the First Congressional District in Massachusetts, the Honorable John F. Heseltine; to the chairman of the House Baltic Investigating Committee, Charles D. Kersten; and to the press."

CHARLES A. COVALESKI,
Chairman.
PETER A. SAMULIS,
Secretary.

CONSTRUCTION OF JEFFERSON NATIONAL EXPANSION MEMORIAL— REPORT OF A COMMITTEE

Mr. HENNINGS. Mr. President, from the Committee on Rules and Administration, I am pleased to report favorably, with amendments, the bill (H. R. 6549) to provide for the construction of the Jefferson National Expansion Memorial at the site of Old St. Louis, Mo., in general accordance with the plan approved by the United States Territorial Expansion Memorial Commission, and for other purposes, and I submit a report (No. 1080) thereon.

THE PRESIDING OFFICER (Mr. HENRICKSON in the chair). The report will be received, and the bill will be placed on the calendar.

Mr. HENNINGS. Mr. President, public-spirited citizens have spent more than two decades planning and working for the construction of a memorial to commemorate the Louisiana Purchase of March 9, 1804, by Thomas Jefferson. It has long been the dream of those citizens from Missouri and adjoining States that those American pioneers whose intrepid spirit opened up the great western domain of our country should be honored by erecting a suitable memorial at Old St. Louis, the site of the transfer of the upper Louisiana Territory.

Today, 150 years later, the courage and fortitude of our forefathers—and their initiative which made possible the territorial integrity of this great Nation—stand as an inspiration to all Americans.

In commemoration of this event of such great historic importance, it is entirely fitting and proper that the Congress act now to authorize the Jefferson Memorial.

NEW MEXICO SENATORIAL ELECTION CONTEST

Mr. JENNER. Mr. President, from the Committee on Rules and Administration, I report an original resolution declaring the judgment of the Senate to be that no person was elected to the Senate of the United States from the State of New Mexico in 1952, and that a vacancy exists in the representation of that State in the Senate. I submit a report (No. 1081) thereon, and ask that it be printed, with illustrations.

THE PRESIDING OFFICER. The report will be received, and, without objection, printed, as requested by the Senator from Indiana, and the resolution will be placed on the calendar.

The resolution (S. Res. 220) was placed on the calendar, as follows:

Whereas the Subcommittee on Privileges and Elections of the Committee on Rules and Administration filed with the Committee on Rules and Administration on March 11, 1954, a report relative to the contested election of November 4, 1952, of a Senator from the State of New Mexico recommending a determination that no Member of the Senate was elected from the State of New Mexico in the 1952 general election; and

Whereas the Committee on Rules and Administration considered and adopted the report of its subcommittee on March 16, 1954; and

Whereas the Senate, after consideration of such report, concurs in the recommendation contained therein: Now, therefore, be it

Resolved, That it is the judgment of the Senate that at the November 4, 1952, general election in and for the State of New Mexico no person was elected as a Member of the Senate from that State, and that a vacancy exists in the representation of that State in the Senate.

SEC. 2. The Secretary of the Senate is directed to transmit a copy of this resolution to the Governor of the State of New Mexico.

Mr. CLEMENTS. Mr. President, will the Senator from Indiana yield?

Mr. JENNER. I am glad to yield.

Mr. CLEMENTS. It is my understanding that it is the desire of the minority members of the committee to submit minority views today.

Mr. JENNER. That is correct. As I understand, the Senator from Missouri [Mr. HENNINGS] is now in the process of preparing the minority views, and he probably will submit them later today, or else tomorrow.

Mr. CLEMENTS. Certainly there will not be any objection, will there, from the majority members of the committee to the submission of such minority views?

Mr. JENNER. There will be no objection whatever. As a matter of fact, the committee was requested to take action as soon as possible; we were informed that otherwise a motion would be made, this week, to discharge the committee from the further consideration of this subject.

The report shows that the minority members dissent from the report; and the dissenting views will be submitted at once.

Mr. CLEMENTS. Mr. President, I do not wish the Senator from Indiana to understand that I am commending him for the report which has been made, but I do commend him for submitting the report promptly.

The PRESIDING OFFICER. Does the Chair correctly understand that it is the desire to have the majority report and the minority views submitted separately or combined?

Mr. JENNER. They will be submitted separately.

Mr. CLEMENTS. Will they also be printed separately?

Mr. JENNER. That is correct.

PART 2 OF REPORT NO. 1081

Mr. CLEMENTS subsequently said: Mr. President, I ask unanimous consent that minority views on the New Mexico senatorial election may be submitted, even if they are completed and submitted after the Senate recesses today, and that the minority views be printed as a separate report.

Mr. FERGUSON. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. FERGUSON. Has the majority report been submitted?

Mr. CLEMENTS. It has.

Mr. FERGUSON. There is no objection to the request of the Senator from Kentucky.

The PRESIDING OFFICER. The Chair is informed that the majority report was submitted earlier in the day.

Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

STUDY OF LATIN AMERICAN COUNTRIES—INTERIM REPORT OF A COMMITTEE (REPT. NO. 1082)

Mr. CAPEHART. Mr. President, from the Committee on Banking and Currency, I submit, pursuant to Senate Resolution 25, of the 1st session of the 83d Congress, an interim report on the committee's study of Latin American countries arising out of its journey through Latin America last fall. I ask that the report containing 672 pages be printed, with illustrations.

The members of the Committee on Banking and Currency have unanimously accepted this interim report and authorized its submission to the Senate. The conclusions and recommendations set forth therein are those of the members of the committee who made the trip.

The PRESIDING OFFICER. The report will be received, and, without objection, printed, with illustrations.

Mr. CAPEHART. Mr. President, I ask unanimous consent that the introduction of the report, the summary of the report, and the conclusions and recommendations be printed in the body of the Record at this point as a part of my remarks.

There being no objection, the matters referred to were ordered to be printed in the Record, as follows:

STUDY OF LATIN AMERICAN COUNTRIES INTRODUCTION

The Committee on Banking and Currency was authorized and directed by Senate Resolution 25, 83d Congress, 1st session, approved June 8, 1953, to make a thorough study of the operations of the Export-Import Bank of Washington and the International Bank for Reconstruction and Development, and their

relationship to the expansion of international trade.

Recognizing that the collection and evaluation of facts form the best foundation for sound conclusions, your committee decided to adopt the businesslike method of obtaining pertinent facts firsthand by on-the-spot conferences with interested businessmen and officials, and by inspections of representative projects financed by the Export-Import Bank and the International Bank.

As part of its study your committee flew more than 21,000 miles by commercial airlines throughout Latin America, where it became known as the Capehart mission. From October 18 through December 7, 1953, it visited in order the following 15 nations: Mexico, Nicaragua, El Salvador, Panama, Colombia, Ecuador, Peru, Bolivia, Chile, Argentina, Uruguay, Paraguay, Brazil, Trinidad, and Venezuela. More detail on its itinerary follows later in this report. Suffice it to state here that your committee attended 93 meetings of businessmen and 63 conferences with foreign government officials; in addition to conferences with United States diplomatic representatives and their staffs in each of the countries visited. Your committee also made numerous inspection trips.

At each of the meetings with businessmen and government officials, the chairman made a statement outlining in detail the nature and purpose of the committee's visit.

A part of the time in each country was devoted to conferring with representative groups of local businessmen and agents of United States business. In addition conferences were held with local government officials in each nation and with representatives of the United States Government on duty in the respective Embassies or consulates. In many cases, on-site inspections were made of projects financed with the assistance of the Export-Import Bank or the International Bank. Throughout the trip your committee made a sincere effort to collect facts which should prove useful in the formulation of future United States policy within the scope of the study undertaken by your committee. In the same vein, this report will be based on the factual information obtained during the trip.

This report is an account of the activities of the Capehart mission during its journey through Latin America and the findings and conclusions arising out of those activities.

Your committee was most fortunate in including among its congressional members, in addition to the chairman of the Senate Committee on Banking and Currency, who is also a member of the Senate Committee on Foreign Relations, the chairman of the Senate Committee on Interstate and Foreign Commerce, a distinguished member of the Senate Committee on Finance, and the former chairman of the House Senate Committee on Banking and Currency. As frequently pointed out by the chairman during the course of the trip, among them these committees have jurisdiction over most of the business problems with which the Congress is confronted.

Also among its group, the Capehart mission numbered key personnel from the State Department, the Treasury Department, the Export-Import Bank and the International Bank, all of whom contributed invaluable assistance to the success of the journey.

Equally valuable aid was given by the several members of the citizens advisory committee to your committee who made the trip and participated fully in the program. Also extremely helpful were the congressional staff members and committee clerks and counsel, who diligently and capably performed the many staff functions required to carry out the mission successfully.

In each country visited, your committee worked untiringly to unearth the true barriers to increased trade with the United States and increased investment of United States capital. Under business-like ques-

tioning by the chairman and other members of the committee, facts were elicited which might never have been reduced to writing nor presented in formal hearings held in the United States.

In an atmosphere of immunity from identification wherever such immunity was desired, responsible business groups and officials frankly set forth the difficulties they encounter in doing trade with the United States and obtaining investments from the United States. Your committee believes this procedure has resulted in obtaining much information of immense value to its study which would never have otherwise come to light.

Widespread commendation accompanied the study pattern adopted by your committee. Complete admiration was expressed for the zeal and energy with which every member of the Capehart mission applied himself to his assigned tasks. Yet the tone set by the chairman of your committee was courteous, dignified, diplomatic, and businesslike. The presence of a congressional committee frankly inviting constructive criticism of United States economic policies appeared to be a new departure in diplomatic relations. Thus disarmed of any embarrassment they might otherwise have experienced, those with whom your committee talked responded freely, furnishing very helpful information.

At every business conference, the chairman of your committee created a climate favorable to the disclosure of facts by frankly inviting the participants to state the roadblocks in the way of trade with and investments from the United States. He explained that under Senate Resolution 25 a representative advisory committee of businessmen in the United States is conducting a study of roadblocks they encounter in doing business with foreign nations. Facts gathered from these two sources, the chairman stated, will be considered in conjunction with other material obtained during public hearings to be held before your committee, in devising measures to improve foreign trade and investment. It is anticipated that such measures will be primarily concerned with increasing the effectiveness of the activities of the Export-Import Bank and the International Bank in these fields.

In his introductory remarks at each meeting the chairman explained the jurisdiction of your committee, noting also the presence of members of other committees of the Congress having jurisdiction over business problems. He stated that the mission was looking for roadblocks in the way of mutually beneficial trade between Latin America and the United States. He stated that it was the purpose of the mission to discover ways to increase trade with the United States and investment from the United States. He made it plain that your committee was seeking facts, not publicity, and that it aimed to obtain constructive criticism, not to criticize or to investigate Latin American activities.

To the businessmen's meetings, the chairman explained that the committee's purpose was to follow the practice he formerly followed in business, by taking to the road to discuss problems firsthand with customers and prospective customers. Noting that jobs mean trade and trade means jobs, he stated that increased trade between the United States and Latin America would help to keep people in both areas fully employed at wages which should help to raise the standard of living in both areas. He stressed the desirability of increasing trade within the countries as well as trade among Latin American nations and trade between these nations and the United States. As a former businessman to a group of present businessmen, he invited frank comments on methods to increase the part played by private enterprise in economic relations among the nations of the Western Hemisphere. He pointed out

that what is needed is not only a large productive capacity, but also a system of credit and sufficient funds in the hands of prospective customers to purchase the increasing amount of goods produced.

Stability and lack of violent fluctuations in prices for raw materials were emphasized as means of contributing to a forward-looking economy. Noting the existence of large amounts of money in the United States seeking investment, the chairman stated that appropriate investment climates would attract these funds to foreign fields. He explained that one of the prime purposes of the mission was to determine how to make the Export-Import Bank and the International Bank better instruments of promoting commerce among the nations of the Western Hemisphere.

Offering anonymity to any participant in the meetings who wished it, the chairman invited all to present the facts of trade and investment plainly and to write directly to your committee, if this seemed advisable in order to present more detailed facts on the problems at hand. The chairman agreed to forward to the proper officials of the Federal Government complaints received during the course of the visit about United States trade and investment policy. Pursuant to that agreement such complaints were gathered together and forwarded to the appropriate Government officials soon after your committee returned to Washington.

As previously noted this mission sought only the facts. Unfortunately, statistics in Latin American nations are not quite as complete as those gathered in the United States. For this reason, it became more necessary to discuss specific problems with businessmen and officials throughout Latin America in order to formulate advisable economic policies in the United States guiding its relationships with Latin American nations. In the numerous meetings which we attended, your committee believes it has received a fair cross-section of discussion of trade and investment problems current in Latin America from those most acquainted with them. The facts presented orally at these meetings have been coupled with the more detailed written material supplied to your committee to form the factual basis for this report.

The following pages of the report consist of a complete discussion by countries of your committee's activities, findings, and conclusions. Following this, there appear such general conclusions as your committee reached on the basis of the entire Latin American trip.

Your committee wishes to commend the cooperation and efficiency demonstrated by the representatives of the United States Government in each of the countries visited. It is also most appreciative of the courtesies shown and responses given by United States and local businessmen in each of the countries. It also wishes to acknowledge the splendid treatment it received from government officials in every Latin American nation visited.

Your committee hopes that its efforts, as outlined in this report, may help to achieve a better understanding of the problems of trade and investment affecting Latin America and the United States, and will contribute to a practical businesslike solution of these problems.

SUMMARY

In its 7 weeks in Latin America conferring with businessmen and Government officials, your committee found a continent on the economic march. Growing cities, modern factories, and a people eager to advance themselves were strikingly evident. South America is a land of opportunity awaiting development, populated by friendly people who desire to become closely identified with

the United States culturally, politically, and economically.

It was apparent, however, that this program is of comparatively recent origin. Underlying it in various degrees are still a variety of conditions and problems arising from an awakening economy. At this point your committee wishes to outline the major findings drawn from its survey of Latin America.

VAST ECONOMIC OPPORTUNITY IN LATIN AMERICA

1. The potential of this area for economic development is tremendous.

Latin America possesses uncounted mineral deposits, petroleum deposits, virgin forests, and untouched fertile soil. Industrialization and development of Latin America are just commencing, and this coupled with a population growth of 2.5 percent per annum make for great opportunity for trade and commerce.

RECENT ECONOMIC DEVELOPMENT

2. Industry has advanced rapidly.

In the past decade Latin America across its length and breadth has been stirred by economic awakening which has culminated in astonishing industrial progress. From 1946 to 1952 manufacturing output has expanded by two-thirds. An agricultural economy is transforming itself into a diversified economy.

DESIRE TO BE SELF-SUFFICIENT

3. Self-sufficiency is a national goal.

In every country the overwhelming desire was found to be self-sufficiency in all of the basic industrial activities. This desire stems from a sincere wish to furnish the people of these lands with a higher standard of living, pride in accomplishment, and sad experience with shortages during the war when external sources could not be depended upon.

THE DANGERS IN TOO RAPID INDUSTRIALIZATION

4. Shortage of local private capital tends to interject government into business.

The understandable desire to become self-sufficient has run into the problem of a shortage of private capital formation and there has been a tendency to turn to governmental development. This has resulted in the governments being active in business, particularly the utilities. This has furnished an impetus toward socialism and the entering of governments into activities normally performed by private enterprise.

TRADE CONDITIONS

5. Certain aspects of trade conditions are unfavorable.

Credit facilities are meager, capital formation is low, and interest rates are high. Wealth is disproportionately distributed, with a few wealthy, a few middle class, and a vast majority of poor people. Per capita incomes are low by United States standards. Income taxes, coming into greater use, are neither as high nor as productive as in the United States. Inflation has presented a serious challenge.

FOREIGN COMPETITION

6. Foreign competition with the United States for the Latin American market is growing.

A noticeable rebirth of former European and Asiatic competition has occurred. European firms in some categories offered cheaper prices than American concerns, but the chief competitive advantages they enjoyed are much longer and more favorable terms of payment. These extended terms are made possible by governmental guarantees wherein the European government guarantees to the exporting firm the major portion of its risk, thereby enabling bank credits to finance the terms.

United States trade terms are usually cash, and therefore noncompetitive. The United States fails to pay enough attention to its export markets, including consumer prefer-

ences. Numerous requests were made for a United States guaranty or insurance program to enable United States products to be sold in Latin America on longer payment terms.

AGRICULTURAL DEVELOPMENT

7. Agricultural production has not kept pace with the rapidly growing population.

Agricultural production has lagged behind the general development of Latin American economy. Lack of roads to open new lands and to furnish means of transport to markets has complicated agricultural development. Furthermore, price controls and lack of incentive to farmers, together with antiquated agricultural methods, have all tended to keep agricultural production low. Difficulty has been experienced in keeping pace with the rapid growth in population.

ELECTRICAL POWER AND HIGHWAYS

8. Adequate power and transport facilities are lacking.

Development of Latin America would probably be speeded up more by increasing electric power and highways than by any other means. In almost every country there was a chronic shortage of power. Latin American countries lack, generally, energy sources such as coal and oil. Production of oil has been held back by the reservation of such development to the government. In many countries the hydroelectric potentials have scarcely been touched.

Highways and railroads, with some striking exceptions, are primitive and antiquated. Products within the countries cannot be moved from their place of production to the areas of consumption. Often foodstuffs must be imported for large cities when they could be produced in abundance in another section of the country but there is no means of transporting them. Vast internal regions are untapped because of a lack of communication. The opening of these regions would present untold opportunities and they lie awaiting development.

EXPORTS AND IMPORTS

9. Latin America primarily exports raw materials and imports finished goods.

Latin American exports are primarily raw materials such as coffee, ores and metals, crude petroleum and fuel oil, sugar, fruits, and textile fibers, and agricultural products such as meat, cotton, wool, and hides. Their principal imports are finished goods.

DEPENDENCE ON PRICE OF RAW MATERIALS

10. Decline in world prices for raw materials severely handicaps Latin America.

Its export pattern makes Latin America dependent upon the world market for raw materials. Fluctuations in prices received for these commodities are naturally reflected in the Latin American economies. Following their high prices during the Korean affair, the prices of these commodities have tended to decline on world markets and many Latin American countries are now experiencing a shortage of foreign exchange.

FOREIGN TRADE CONTROLS

11. Dollar shortages occur frequently, leading to controls.

Rapid industrialization and the necessity for the importation of raw materials to feed the industrial machines, coupled with the decline in commodity prices, have resulted in general shortage of foreign exchange, particularly in dollars. This leads to higher tariffs, quota controls, and other restrictive legislation. Multiple rates of exchange have been resorted to in order to solve this problem. The cure has not always been effective, and in some cases seems to compound the difficulties.

TARIFFS AND IMPORT CONTROLS

12. Protective tariffs and import controls are widespread.

The protection of local industries are almost universally provided through high tariffs or import quotas. Local industry is given protection as soon as it is established, oftentimes before production will meet demand.

OPINION ON UNITED STATES POLICY

13. Latin America fears an increase in United States trade restrictions. It wants more continuity and selectivity in United States foreign economic policy.

The major concern experienced in Latin America was the fear that the United States would raise the tariff rates or impose quotas on their exports to this country. Complaint was made of present tariffs, but in general that situation was found to be satisfactory. The overriding and overwhelming concern was the possibility of an increase in import restrictions.

Encountered was a feeling that the United States uses its friends in Latin America during periods of shortages caused by world tensions and wars, and tends to ignore and be unconcerned with them when conditions are normal. It was noticed that an undercurrent of resentment exists over the aid and grants which have been afforded to European countries, some of which were our enemies during the war. There was understanding that these European countries ravaged by war and menaced by communism must have been helped and there was admiration for the generosity shown by the United States. But there was no doubt that the Latin Americans, who consider that they have been our traditional friends and allies, felt that in the process they have been slighted. They emphasized they only want loans which they will repay, not grants. They feel economic development, with United States help and understanding will provide a hemispheric bloc of solidarity which would prevent communism from gaining a firm foothold in the Western Hemisphere.

EXPORT-IMPORT BANK AND INTERNATIONAL BANK

14. A continuing need for the Export-Import Bank and International Bank was expressed, with more emphasis on aid to private enterprise.

The activities of both of these banks have contributed immeasurably to the progress and development of Latin America. Much that has been accomplished, particularly in the fields of electric power and highways, would have been long delayed without aid from these institutions. There was a feeling that the activities of these banks are compatible, one with the other, and both have their proper spheres of activity. It was urged that the Export-Import Bank, as a United States institution, can do more for bilateral trade between Latin America and the United States than the International Bank and therefore its activity should be expanded rather than curtailed. It was further urged that the Export-Import Bank reexamine its policy of too often requiring Government guaranties, as this has a tendency to induce governmental interference in private enterprise. More loans to private enterprise, as opposed to governmental projects, were recommended.

PRIVATE INVESTMENT

15. Foreign loans and equity capital are welcome, but local control is preferred.

In general foreign private investment is also desired in Latin America in the form of both loans and equity capital, in addition to investment of foreign public funds. Portfolio investment is preferred. The joint company composed of United States and local capital is favored next, as this is considered to be most likely the type of enterprise that will enter into and become part of the business community. Totally owned American firms may enter in most countries, but the opinion was expressed that this type

of operation has a tendency to remain apart from the community.

INVESTMENT CLIMATE

16. Restrictions on remittance of profits and repatriation of capital impede foreign investment.

The most serious deterrent to private investment in Latin America would appear to be the restrictions on the remission of profits, royalties, interest, and the repatriation of capital. There is apparently a lack of understanding of the necessity for providing an attractive investment climate and of the impetus to development and general well-being that would be engendered by the entry of private investment capital which would flow into the countries with the proper inducements.

UNITED STATES EMBASSIES AND AMERICAN BUSINESSMEN

17. United States diplomatic and business personnel are capable and cooperative.

Your committee received the greatest cooperation and help from our United States Embassies and their personnel. Courtesy was unfailing; planning had been put forth to arrange meetings; background material was ample. Personnel gave the impression of being fully acquainted with their jobs and were enthusiastic in representing the United States abroad. The United States businessmen were frank in their discussions with the committee. Their attendance at meetings, oftentimes on Saturday and Sunday notwithstanding personal inconvenience, was noteworthy and they appeared to understand the people in the countries wherein they resided.

LATIN AMERICANS

18. Latin American businessmen and officials cooperated wholeheartedly.

It would have been impossible for the hosts in the various countries visited to have been more hospitable. They entered willingly into the spirit of the committee's inquiries by frank and free discussions, but always with courtesy and with a general understanding that the committee's visit was for the purpose of obtaining information and not of being critical. A genuine desire to become closely identified with the United States was encountered. The general spirit seemed to be that our countries are alike in economic and political ideals and philosophy, and there must be close cooperation among all Western Hemisphere nations for their mutual benefit. It was agreed that one of the greatest bulwarks for Western Hemisphere solidarity and against Communist influence would be businesslike aid from the United States to Latin America. Improved economic conditions will raise the standard of living of the entire hemisphere.

CONCLUSIONS AND RECOMMENDATIONS

The members of your committee who made the trip came to some very positive conclusions based upon the committee's 21,000 miles of travel to 15 Latin American countries where those committee members held over 300 conferences and meetings.

Those members who made the trip met with the high officials of each Government as well as with hundreds of native businessmen and United States businessmen doing business in the countries visited.

The members who made the trip accumulated thousands of pages of testimony and a great many exhibits, all of which is available for study by anyone calling at the committee office.

Perfect cooperation on the part of all officials in every country visited was experienced. No group of people could have asked for any more thorough cooperation.

The attitude of those members making the trip was to encourage all governmental officials, businessmen, and others to assist in creating better economic and political

relations between those countries and the United States. This attitude was well received.

The mission would not have been so successful had it not been for the excellent cooperation received from each United States Ambassador and the embassy staffs. More cooperation and consideration could not have been asked.

As a result of the visit and studies, the committee members who made the trip recommend to the people and Government of the United States the following 13 points:

1. We should buy more goods and services from Latin American countries.

2. We should decide what our tariff rates should be and maintain them for a specific period of time, at least for 5 years.

3. As far as possible, we should not impose quantitative import quotas.

4. We should cooperate more closely, politically and economically, with all Latin American countries and consider them more as Western Hemisphere partners. We should not dictate our hemispheric opinions to them. We should consult with them and ask their opinions, to a greater extent than has been done, on the best methods of handling matters in the Western Hemisphere.

5. We should be more cooperative and friendly with their nationals who visit our country. We should throw fewer obstacles in their way in respect to entry into this country.

6. We should encourage private capital to invest in Latin America.

7. We should find ways and means of extending more credit to those countries; particularly, longer terms on our export sales.

8. We should expand the activities of the Export-Import Bank. However, in most instances, its loans should be made to private enterprise rather than directly to governments.

9. We should be more consistent in our policies.

10. We should encourage, to a greater degree than we ever dreamed of, the development of raw materials in those countries; particularly, materials that are classified as critical and in short supply in the United States.

11. We should give much thought to the maintenance of a fair price for raw materials.

12. We should help and encourage those nations to increase their industrial production in order that they may give more jobs to their people and improved living standards. By so doing, they will be in a position to buy more goods and services from us.

13. We should encourage our people to know our Latin-American neighbors better, appreciate their culture, their great cities, vast potentials, wonderful climate, and the attractiveness of the people and the beauty of the countries.

(The International Bank for Reconstruction and Development should confine its loans to traditionally Government functions; such as highway construction and maintenance, flood control, certain phases of sanitation, and hydroelectric developments beyond the scope of private enterprise.)

Those members who made the trip also recommend the following nine points to all Latin-American peoples and their governments:

1. Buy more goods and services from the United States.

2. Reduce export and import taxes as speedily as possible and replace the loss in revenue by creation of more practical income-tax systems.

3. Create an atmosphere through deeds, laws, and actions that will encourage private enterprise and the investment of foreign capital within their countries.

4. As far as possible keep government out of business.

5. Give United States investors the same treatment afforded nationals.

6. Concentrate on improving communications, power, and transportation facilities. Encourage all companies, both private and governmental, which might contribute to this development.

7. All Latin American Nations should work closely with each other as well as with the United States and Canada on all Western Hemispheric political and economic matters.

8. Make every effort to insure stabilized currencies.

9. Encourage all Latin Americans to believe the truth about the United States; that the people of the United States are their friends and want to be good neighbors.

REPORTS ON DISPOSITION OF EXECUTIVE PAPERS

Mr. CARLSON, from the Joint Select Committee on the Disposition of Executive Papers, to which were referred for examination and recommendation three lists of records, transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted reports thereon pursuant to law.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, March 16, 1954, he presented to the President of the United States the following enrolled bills:

S. 79. A bill to authorize the Secretary of the Interior to cooperate with the State of Kentucky to acquire non-Federal cave properties within the authorized boundaries of Mammoth Cave National Park in the State of Kentucky, and for other purposes.

S. 489. An act to direct the Secretary of the Army to convey certain land located in Windsor Locks, Conn., to the State of Connecticut;

S. 1827. An act to authorize the Secretary of the Army to disclaim any interest of the United States in and to certain property located in the State of Washington;

S. 2111. An act to permit the flying of the flag of the United States for 24 hours of each day in Flag House Square, Baltimore, Md.; and

S. 2348. An act to repeal the act entitled "An act to authorize the Director of the Census to collect and publish statistics of red-cedar shingles."

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMATHERS:

S. 3140. A bill for the relief of Pearl O. Sellaz; and

S. 3141. A bill for the relief of Paul Burkhardt, to the Committee on Labor and Public Welfare.

By Mr. DOUGLAS (for himself, Mr. HUMPHREY, and Mr. MORSE):

S. 3142. A bill to promote ethics in Government; to the Committee on Government Operations.

(See the remarks of Mr. DOUGLAS when he introduced the above bill, which appear under a separate heading.)

By Mr. FERGUSON:

S. 3143. A bill for the relief of Dr. Elpidio B. Dosado, his wife, Aurelia, and his minor children, Deanna; Elpidio, Jr.; and, Ambrosio; to the Committee on the Judiciary.

By Mr. MANSFIELD (for himself and Mr. MURRAY):

S. 3144. A bill to authorize the construction of a flood-control dam and reservoir on the Missouri River in the vicinity of Great Falls, Mont.; to the Committee on Public Works.

By Mr. WATKINS:

S. 3145. A bill for the relief of Bonita Lee Simpson; and

S. 3146. A bill for the relief of Charlotte Nenzling, Sylvia Nenzling Lunt, and Roy Nenzling Lunt; to the Committee on the Judiciary.

By Mr. MORSE:

S. 3147. A bill for the relief of Margarete R. Zimmerman; to the Committee on the Judiciary.

By Mr. MUNDT (for himself, Mr. BYRD, Mr. BRIDGES, Mr. JOHNSON of Colorado, Mr. LANGER, Mr. FERGUSON, Mr. SMITH of New Jersey, Mr. FULBRIGHT, Mr. SALTONSTALL, Mr. KNOWLAND, Mr. ROBERTSON, Mr. IVES, Mr. WATKINS, Mr. JOHNSON of Texas, Mr. BUTLER of Maryland, Mr. GOLDWATER, Mr. KENNEDY, and Mr. MANSFIELD):

S. J. Res. 140. Joint resolution to establish a commission for the celebration of the 200th anniversary of the birth of Alexander Hamilton; to the Committee on the Judiciary.

(See the remarks of Mr. MUNDT when he introduced the above joint resolution, which appear under a separate heading.)

GOVERNMENT ETHICS ACT OF 1954

Mr. DOUGLAS. Mr. President, on behalf of myself, the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Oregon [Mr. MORSE], I introduce an omnibus bill to establish a code of ethics in the executive and legislative branches of Government.

Our bill also provides for a commission on ethics in Government, to study the entire problem and make recommendations for further revisions in the law.

We believe that our bill is a good start toward creating a code that will raise the standard of ethics in legislative and executive branches of the Government. But it is not the final answer. The commission, when its work is done, will undoubtedly have many more important recommendations.

In this bill, we have also tried to prohibit unethical conduct on the part of those in private life who do business with Government, or seek to influence its policies. This is more important, basically, than the provisions affecting employees and officers. For every corrupt Government employee or official, someone in business or some private person did the corrupting. It is useless to legislate a standard of conduct for public officials, and leave private interests scot-free to use all sorts of corruptive influence and pressure on such officials. We have tried to meet both evils in this bill.

If Congress will pass this bill, ethical standards will be raised, and the public confidence in its Government will be restored on a solid foundation.

Hitherto, the Senator from Minnesota [Mr. HUMPHREY] and I have introduced legislation to establish, by law, a single joint committee on internal security, and to set up a code of fair procedure in congressional investigations. The Senator from Oregon [Mr. MORSE] has legislation pending on the same subject.

We believe that our bill today is another necessary step forward to improve Government processes, and to increase public confidence in the Government.

I ask unanimous consent that the bill be appropriately referred, and that an abstract be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the abstract will be printed in the RECORD.

The bill (S. 3142) to promote ethics in Government, introduced by Mr. DOUGLAS (for himself, Mr. HUMPHREY, and Mr. MORSE), was received, read twice by its title, and referred to the Committee on Government Operations.

The abstract referred to is as follows:

ABSTRACT OF PROVISIONS OF OMNIBUS BILL ON ETHICS

TITLE I. DECLARATION OF POLICY

Title I simply declares the policy to "strengthen the faith and confidence of the American people in their Government by promoting high moral standards in the conduct of such Government * * *."

The substantive titles of the bill contain the following provisions:

TITLE II. COMMISSION ON ETHICS IN GOVERNMENT (15 PERSONS)

The President would appoint 5 members, 2 of which would be required to be Government officials, one paid not more than \$10,000 a year, the other on the Cabinet or sub-Cabinet level.

The President of the Senate and Speaker of the House would each appoint 5 members (total 10), 2 from each Chamber representing both major political parties. Except for the 2 Government officials, and the 4 Members of the House and Senate, the other 9 members of the commission would be chosen from private life, giving the commission a weighted public interest in its membership.

The Commission is directed in the bill to make a complete study and investigation of the moral standards of official conduct of officers and employees of the United States, the effect of actions of persons seeking to influence public policy and administration, the general moral standards of society and their effect on public officials. It is required to make recommendations for the improvement of the moral standards of Government employees and all persons who participate in or are responsible for the conduct of public affairs. The commission is directed to make a report in the first session of the 84th (next) Congress, and a final report within 2 years after its creation. It is given wide powers of subpoena to require the testimony of witnesses and compel the production of books, documents, and other records.

This proposal is modeled on the 1951 resolution of Senator FULBRIGHT, Democrat, of Arkansas.

TITLE III. CODE OF OFFICIAL CONDUCT FOR THE EXECUTIVE BRANCH

This title, pending final recommendations of the commission, and their enactment by Congress, amends the Administrative Procedure Act to prohibit influence and favoritism. Basically, this portion of the bill is designed to eliminate the "conflicts of interest" in public service, and the exercise of undue or unethical influence and favoritism in public business. Many of the provisions came as a result of the RFC investigations carried on by Senators FULBRIGHT and DOUGLAS, and following that the Labor and Public Welfare Subcommittee investigations of ethical standards in Government, conducted by Senator DOUGLAS as chairman.

This title includes several sections defining improper and unethical conduct on the part of executive officers or employees.

Section 102 provides that it shall be improper for any executive department officer or employee to:

"(a) to engage, directly or indirectly, in any personal business transaction or private arrangement for personal profit which accrues from or is based upon his official position or authority or upon confidential information which he gains by reason of such position or authority;

"(b) to accept, directly or indirectly, any valuable gift, favor, or service from any person with whom he transacts business on behalf of the United States;

"(c) to discuss or consider future employment by any person outside the Government with whom he is transacting business on behalf of the United States;

"(d) to divulge confidential commercial or economic information to any unauthorized person, or to release any such information in advance of the time prescribed for its authorized release; or

"(e) to become unduly involved, through frequent or expensive social engagements, with any person outside the Government with whom he transacts business on behalf of the United States."

Section 103 covers the activities of officials and employees who participate in letting contracts, making loans, granting of subsidies, fixing of rates or issuance of permits and certificates having a business value, and affecting persons by whom he has been employed within the previous 2 years and who has an economic interest or those with whom the employee has an economic interest. This makes improper the participation in such Government acts when there is a direct or indirect connection with interested parties or firms within the preceding 2 years.

Section 104 provides that it is improper for any former officer or employee to appear before any Government agency with which he was formerly employed, in connection with any case or other matter with which he was once directly connected, or at any time to participate in the preparation of such case or matter for presentation. This is intended to eliminate much of the "conflict of interest" in Government affairs.

Section 105 makes it improper for any former officer or employee in the \$10,000 bracket to appear on any matter within 2 years after termination of his service before the Government agency with which he was formerly employed, as representative of anyone outside of Government.

Section 106 is directed at those who retain former Government officers and employees, and provides that it shall be improper for such employers to:

"(a) knowingly to employ any former officer or employee in the executive branch of the Government in connection with any case or other matter which would constitute a breach by such former officer or employee of the provisions of sections 104 or 105 of this title;

"(b) to give, directly or indirectly, any valuable gift, favor, or service to any officer or employee in the executive branch of the Government transacting business with him on behalf of the United States;

"(c) to discuss or consider future employment of any officer or employee in the executive branch of the Government transacting business with him on behalf of the United States;

"(d) to persuade any officer or employee in the executive branch of the Government to divulge confidential commercial or economic information to any unauthorized person, or to release any such information in advance of the time prescribed for its authorized release; or

"(e) to become unduly involved, through frequent or expensive social engagements,

with any officer or employee in the executive branch of the Government transacting business with him on behalf of the United States."

Section 107 establishing penalties to be applied to Government officers or employees for improper conduct, provides that their superiors:

"(1) may summarily dismiss any officer or employee in his agency upon finding that such officer or employee has violated section 102 or 103 of this title;

"(2) may, after notice and hearing, bar the appearance before such agency, for such period of time as he deems proper, of any former officer or employee upon finding that such officer or employee has violated section 104 or 105 of this title;

"(3) may require any person who is represented by another person in an appearance before such agency in connection with any case or other matter to certify under pains and penalties of perjury that such representative will not by such appearance violate section 104 or 105 of this section;

"(4) may, after notice and hearing, bar any person from negotiating or competing for any business with his agency for such period of time as he deems proper upon finding that such person has violated section 106 of this title; or

"(5) may cancel any contract which he determines to have been procured as a result of improper conduct in violation of this title, and such determination shall be final and conclusive."

It is also provided that an official, upon dismissing a subordinate for improper conduct, shall furnish the employee with written findings and reasons, and publish them in the Federal Register "unless he determines that such publication would not be in the public interest." Thus, under this language, improper conduct would be fully disclosed in the official Government publication.

TITLE IV. CODE OF OFFICIAL CONDUCT FOR THE LEGISLATIVE BRANCH

Title IV establishes a code of conduct for Congress and its employees. Section 703 defines as improper:

"(a) to engage, directly or indirectly, in any personal business transaction or private arrangement for personal profit which accrues from or is based upon his official position or authority or upon confidential information which he gains by reason of such position or authority;

"(b) to accept, directly or indirectly, any unusual and valuable gift, favor, or service from any person directly affected by or having a substantial interest in the action taken by the Congress with respect to any legislation;

"(c) to vote in a congressional committee or on the floor of Congress, or to act in any official capacity on any legislation in which such member or employee has a substantial and direct financial interest, unless prior to such vote or action such member or employee shall disclose to the secretary of the Senate in the case of Members and employees of the Senate or the Clerk of the House of Representatives in the case of Members and employees of such House, and there is published in the CONGRESSIONAL RECORD, upon the instance of such secretary or clerk, a full statement of the nature and extent of such interest, and of such member's or employee's intention not to disqualify himself for such vote or action;

"(d) to discuss or consider future employment by any person outside the Government with whom such member or employee in the course of his official duties is carrying on any discussion or transaction with respect to any legislation directly affecting such person or in which such person has a substantial interest;

"(e) to divulge confidential information acquired within the course of his official duties to any unauthorized person, or to

release any such information in advance of the time prescribed for its authorized release;

"(f) to become unduly involved, through frequent or expensive social engagements, with any person outside the Government with whom such member or employee in the course of his official duties is carrying on any discussion or transaction with respect to any legislation directly affecting such person or in which such person has a substantial interest;

"(g) to intercede other than by an appearance of record with any agency or department of the Government in any attempt to influence it in any specific case in the exercise of its judicial or quasi-judicial functions; or

"(h) to accept, directly or indirectly, any valuable gift, favor, service or compensation from any person in whose behalf such Member or employee intercedes with any agency or department of the Government."

Section 704 and 705 of this title makes it improper for former Members and employees to attempt to influence legislation without registering as lobbyists, or to exercise their right to go on the floor and contact Members there to influence action on legislation.

Section 705 is a broad prohibition against persons having substantial interests in the actions of Congress giving favors, gifts, or gratuities to Congressmen, Senators, or employees; against discussing or considering future employment of such persons; persuading them to make disclosure of confidential information or its release in advance of the authorized time; becoming "unduly involved through frequent or expensive social engagements" with Members or employees. Section 706 carries the prohibitions further, against valuable gifts, favors, or services to Members or employees of the legislative branch for their intercession in behalf of such persons with Government agencies or departments.

Section 707, the penalty code, provides for dismissal of their employees by committee chairman or members, general employees by the Speaker of the House or the President of the Senate, the barring of former Members from the House or Senate floor, for infractions of the code, and publication in the Federal Register of findings and action ordered.

TITLE V. DISCLOSURE OF INFORMATION REQUIRED

Title V, which relates to disclosure of financial information, is strictly drawn. It is the one section of the bill which provides criminal penalties for evasion or false information. This title requires that each Member of the Senate and House, each employee of the Federal Government, and member of the Armed Forces who is paid \$10,000 a year or more, each member, chairman, or other officer of the national committee of a political party make an annual report to the Comptroller General on finances. This information must include:

1. Amount and sources of all income received in the preceding year.

2. Value of each asset held by him, or by him and his wife, and their liabilities.

3. A "full and complete statement of all dealings in securities or commodities by him, or by any person acting on his behalf or pursuant to his direction, during the preceding 6-month period."

4. Persons leaving Congress, or other offices or national political positions, before the filing dates for such information would be required to make a filing on the last day of service. In the case of persons who retired before December 31, they would be required also to file such information if they served in official capacity for more than 6 months during the calendar year.

Penalties for evasion of such requirements, or the filing of false reports, would be fixed at \$2,000 fine, or 5 years imprisonment or both.

The disclosure proposal follows the lines of previous bills submitted by Senator Morse, Independent, of Oregon.

HOUSE BILLS AND JOINT RESOLUTION REFERRED OR PLACED ON CALENDAR

The following bills and joint resolution were severally read twice by their titles, and referred, or placed on the calendar, as indicated:

H. R. 1005. An act to authorize the establishment of the Fort Union National Monument, in the State of New Mexico, and for other purposes;

H. R. 2974. An act to extend the time for enrollment of the Indians of California, and for other purposes;

H. R. 4481. An act to authorize enrolled members of the Gros Ventre and Assiniboine Tribes of the Fort Belknap Reservation, Mont., to acquire interests in tribal lands of the reservation, and for other purposes;

H. R. 4721. An act to provide that the excess-land provisions of the Federal reclamation laws shall not apply to lands in the Owl Creek unit of the Missouri Basin project;

H. R. 6154. An act to authorize payment of salaries and expenses of officials of the Fort Peck Tribes; and

H. R. 7057. An act to authorize the Secretaries of Agriculture and Interior to transfer, exchange, and dispose of land in the Eden project, Wyoming, and for other purposes; to the Committee on Interior and Insular Affairs.

H. R. 1067. An act to authorize the Supreme Court of the United States to make and publish rules for procedure on review of decisions of the Tax Court of the United States; placed on calendar.

H. R. 6280. An act to extend temporarily the rights of priority of nationals of Japan and certain nationals of Germany with respect to applications for patents;

H. R. 7786. An act to honor veterans on the 11th day of November of each year, a day dedicated to world peace;

H. R. 8092. An act to facilitate the entry of Philippine traders;

H. R. 8193. An act to amend the Refugee Relief Act of 1953; and

H. J. Res. 347. Joint resolution giving the consent of Congress to an agreement between the State of Alabama and the State of Florida establishing a boundary between such States; to the Committee on the Judiciary.

REPUBLICAN PARTY CENTENNIAL CELEBRATION AT RIPON, WIS.

Mr. WILEY. Mr. President, I should like to take this opportunity to call the attention of the Senate and the Nation to a historic event which will be reenacted in Ripon, Wis., next Saturday, the 20th of March.

On that day, the 100th anniversary celebration of the founding of the Republican Party at Ripon, Wis., in 1854, will be touched off by the President of the United States when he signals from Washington to light the Ripon freedom flame.

As my colleagues well know, the first recorded meeting of Republicans was held by a group of Whigs, Free-Soilers, and Democrats in the Congregational Church at Ripon on February 28, 1854. Opposition to the extension of slavery was the common bond that brought them together. Led by a Ripon schoolteach-

er, Maj. Alvan Bovay, this small group of farsighted men adopted a resolution stating that if Congress passed the pending Kansas-Nebraska bill which threatened to open the way for slavery in those two States, a new political party should be formed, to be called the Republican Party.

Immediately after the Senate passed the Kansas-Nebraska bill, Major Bovay promptly called a second meeting on March 20 in the schoolhouse at Ripon. By a house-to-house and shop-to-shop canvass, 53 of the town's nearly 100 eligible voters were rallied for the March 20 meeting. Here the local Whig and Free-Soil organizations were dissolved, and a committee of five was chosen to form the new party.

In the months that followed, numerous other meetings—all aimed at establishing a new party—were held throughout the Nation. Most notable of these was the meeting under the oaks at Jackson, Mich., on July 6, 1854, because it was the first formal State convention to adopt a platform and nominate a full State ticket.

Next Saturday, the historic organizational meeting of March 20, 1854, at the Ripon schoolhouse, will be reenacted and celebrated by prominent Republican officials, joined by stars from Hollywood and by the citizens of Ripon, led by Mayor Born. One hundred years of Republican achievement will be reviewed by Chairman Leonard Hall of the Republican National Committee.

A feature of the ceremony will be the lighting of the symbolic "freedom flame," which the enthusiastic citizens of Ripon have pledged to keep alive "as long as freedom lives in America."

Arrangements are now being completed, I am told, for the building of a white marble edifice as a fitting protection for the flame. The lighting of the flame is to symbolize the first candle which lighted the schoolhouse at Ripon a century ago, on the night when the party was born.

A torchlight parade is planned for Saturday night, to spread the freedom flame into every home in Ripon, where 2,000 candles will burn in commemoration of this historic event.

Mr. President, movie and television cameras will record the highlights of the ceremonies, so that it will be possible for those of us who cannot be present, because of our duties in Washington, to enjoy this symbolic event, through television newsreels.

Mr. DOUGLAS. Mr. President, will the Senator from Wisconsin yield for an inquiry?

Mr. WILEY. I yield.

Mr. DOUGLAS. I have been interested to hear my friend, the Senator from Wisconsin, speak of the candlelighting ceremony to be held in Wisconsin in connection with a celebration for the Republican Party. Let me inquire whether it will be to celebrate a birthday or a wake?

Mr. WILEY. I am very happy to have that very challenging question. The celebration is, of course, to be of a birthday. However, as the young "cub" is only 100 years old, he is full of pep, vim,

and vigor, as will be demonstrated next November.

So I reply to the question of my friend, the Senator from Illinois, by saying that the celebration will not be a wake, but it may celebrate the wake of the Democratic Party.

USE OF BRITISH VESSELS FOR TRANSPORTATION OF AMERICAN TROOPS

Mr. BUTLER of Maryland. Mr. President, on March 8, I addressed the Senate with reference to a report on merchant marine subsidies, which had been submitted by the Ocean Shipping Panel to the Transportation Council for the Department of Commerce.

In that address, it was stated that "our country paid more than \$100 million to Great Britain for temporary use of the steamships *Queen Mary* and *Queen Elizabeth* for transporting American troops across the Atlantic in World War II." This statement was based on an almost identical statement in the Ocean Shipping Panel Report, page 13, which gave as its authority "testimony before Senator POTTER's subcommittee, July 13, 1953."

I have now been advised by the shipping attaché of the British Embassy, in Washington, Mr. R. W. Bullmore, that the statement in question is contrary to the facts. In support of his declaration, he enclosed a copy of a memorandum submitted in January last by his Embassy to the Department of State.

In order that entire justice may be done and any misconceptions corrected, I ask unanimous consent that a portion of the Embassy memorandum which details the arrangement under which the two vessels were made available to this country during and immediately following World War II, for military transportation purposes, be printed in the RECORD, at this point.

There being no objection, the excerpt from the memorandum was ordered to be printed in the RECORD, as follows:

Under the master agreement which was executed in February 1942 to implement the Lend-Lease Act of 1941, both sides contributed vessels which were physically well adapted or suitably located to fulfill specific requirements in the common cause, and the two *Queens* were used for the transport of United States forces as part of the United Kingdom contribution. The ferrying of United States forces under this arrangement continued from 1942 until the termination of lend-lease in September 1945. At no time was any payment made by the United States Government for the use of these vessels, nor was any debit, having the equivalent effect of a charge, made during the whole of this period.

After the termination of these arrangements the services of the *Queens* were, for a short period until a special ships exchange agreement was made, brought into account for the purpose of the settlement under the lend-lease and reciprocal aid pipeline and offsetting arrangements. During this time the *Queen Elizabeth* was employed for about 1 month before she was withdrawn for reconditioning, and the *Queen Mary* for 2 months. About 72,000 United States personnel were carried during this period. For this period alone, and solely for bookkeeping purposes, an arbitrary figure of £20 (\$80.70) per man was used in calculating the

United States debit for the accounting arrangements.

The statements made inferred that a large profit had been made by the United Kingdom Government. This is of course entirely erroneous. During the lend-lease reciprocal aid period the services of the *Queens* were given by the United Kingdom Government as part of their reciprocal aid. Even during the pipeline period no actual payment was made by the United States Government to the United Kingdom Government. The traffic at that time was very largely one way and the whole cost of operating the ships both ways was met by the United Kingdom Government, who also had to pay the Cunard Co. for the use of the ships. The payment to the company was extremely modest, being at the rate of 7½ percent of the original cost based on 5 percent for depreciation and only 2½ percent for interest or profit. Any inference that the Cunard Co. made large profits is therefore equally without foundation.

STATEMENT OF WISCONSIN CHEESEMAKERS TO THE SECRETARY OF AGRICULTURE

Mr. WILEY. Mr. President, recently there came to Washington two distinguished citizens from my State, Len Kopitzke and George L. Mooney, who, in conference with the Secretary of Agriculture, presented arguments in support of their opposition to the reduction of the price support of dairy products from 90 percent to 75 percent of parity. I ask unanimous consent to have printed in the *RECORD* their memorandum on the subject.

There being no objection, the memorandum was ordered to be printed in the *RECORD*, as follows:

Len Kopitzke, president, and George L. Mooney, executive secretary, of the Wisconsin Cheesemakers Association, in conference with Secretary of Agriculture Benson today presented the following arguments in support of their opposition to the reduction of the price support of dairy products from 90 percent to 75 percent of parity:

1. A year ago the Secretary of Agriculture extended the 90 percent parity support price of dairy products—but, charged the dairy industry with responsibility for putting its house in order by April 1, 1954.

2. Nearly a year ago, it was admitted that the price attraction under the Federal Milk Marketing Orders resulted in the procurement of an unnecessary and unwarranted surplus of milk for metropolitan areas.

3. Unfortunately that price attraction was only made possible by a consumer subsidy; the consumer unknowingly was, and still is, subsidizing an unwarranted surplus of milk for her respective market.

4. The economic handling of the "created surplus" of fluid milk compelled diversion to manufactured dairy products, which has resulted in the much publicized surplus of butter, cheese and powder—actually a surplus of fluid milk.

5. Unlike seasonal basic commodities, the dairy industry cannot correct, or materially change, production in a 12-month period.

Therefore, we recommend:

1. The prompt amendment of Federal Milk Marketing Orders, reducing the procurement profit, controlling the market surplus, and reflect these economies in lower fluid milk price to consumer.

2. Recognize the effort and financial contribution of the Nation's dairy farmers, through the American Dairy Association, as a commendable compliance with the Secretary's request of a year ago.

3. Reduce the support price from 90 percent to 85 percent (instead of 75 percent) of

parity, for the coming year, thereby averting the creation of an unwanted economic fear by the Nation's dairy industry.

STATEHOOD FOR HAWAII AND ALASKA—ARTICLE BY WALTER LIPPMANN

Mr. JOHNSTON of South Carolina. Mr. President, there appeared in one of today's morning newspapers an article by the distinguished columnist, Walter Lippmann. I ask unanimous consent to have it printed in the *RECORD* as a part of my present brief remarks on the proposed admission of the Hawaiian Islands into our common sisterhood of States. The article poses certain questions of timely interest. At a later date, and possibly on several dates thereafter, I shall express myself at great length on this question. To me, it is of transcendent importance. Following the questions posed in the article, I intend to offer some others. When a people have knocked at our doors for entrance for as long as the reports of the committees advise us the Hawaiians have been knocking, just a simple question "Who comes here?" and a simple answer "Mostly Americans wanting to share further brotherhood with you" will not in the least satisfy the inquiring mind or a curious one.

At a time when great national problems affecting the best interests of 160 million Americans—problems relating to our farmers, taxation, unemployment, national security, national defense, and our existence as a free Government for ourselves and posterity—should engage our constant and most serious consideration, we whittle away the precious hours in answering a continuing knock at our Nation's door, which has remained unopened for 50 years. Mr. Lippmann has scratched the surface for us, and as time goes on I propose to get out my pick and shovel and see what further ground can be uncovered.

There being no objection, the article was ordered to be printed in the *RECORD*, as follows:

THE HAWAII-ALASKA DILEMMA

(By Walter Lippmann)

It is not an agreeable task to argue at this late date that before statehood is granted to Hawaii and Alaska, Congress and the country should reexamine the issues very carefully. High hopes and great expectations have been raised in Hawaii. Yet we must remember that the granting of statehood is an irrevocable act. Once done, it cannot be undone. Statehood cannot be repealed and a State cannot secede. Congress is, therefore, faced now with the kind of decision which must not be made except with fullest deliberation.

Now the admission of outlying Territories to statehood would mean a radical change in the structure of the Union and of our external relations. If such a change is to be made, it should be done when the people of this country are listening and have their eyes open. They are not listening now, and in the uproar of the McCarthy crisis, which is really a grave constitutional crisis, they could not hear it if they wanted to listen.

As I read the record, the crucial question was raised in the House of Representatives last July by JOSEPH R. FARRINGTON, the able and highly respected Delegate from Hawaii. In an eloquent and moving peroration he said, "Either we become a State or we enter

permanently into a colonial status. This is what continuation of the Territorial status in its present or modified form means, and nothing else. The issue clearly is one of statehood or colonialism. Proposals that we be permitted to elect our own governor; that we be given a larger measure of local self-government and possibly an increase in our representation in the National Government, are nothing but attempts to disguise an unwillingness to grant the people of Hawaii their full rights as American citizens. They are colonialism and, so far as I am concerned, I want nothing of them."

Mr. FARRINGTON's thesis is that no people living under the American flag have or can have their full rights unless they are granted statehood. Anything but statehood is, Mr. FARRINGTON said in the same speech, to assign a large group of American citizens permanently to an inferior position.

In putting it that way he has posed the fundamental question which has never, I believe, been explained properly to our people or adequately debated in Congress. Is it true that under American principles there are 2 and only 2 choices. That of inferiority in a condition of colonialism and that of equality as a State of the Union?

If that is the dilemma, which we are acknowledging by voting statehood for Hawaii and Alaska, what about the other outlying territories under the American flag? What do we have to offer as a goal toward which they can work, for which to develop their powers, to which to educate themselves? What do we propose to the people of Guam, the Virgin Islands, perhaps of our trusteeships in the Marianas, the Marshalls, the Carolines? Are they to be told that unless they achieve statehood, which they have no hope of achieving, they must remain permanently in an inferior position? Is Congress going to declare that there is no way to have full freedom and a lasting association with the United States except as a State?

Before we impale ourselves on the horns of this dilemma—colonialism or statehood—let us reexamine the question.

Much has been made of the promises of statehood in the party platforms. But anyone who takes the trouble to read what the party platforms have said about statehood for Hawaii, Alaska, and Puerto Rico in the past 20 years will come away confirmed in the belief that neither party has ever seriously put its mind on the question.

The platform on which President Eisenhower ran in 1952 advocated "immediate statehood for Hawaii; statehood for Alaska under an equitable enabling act; eventual statehood for Puerto Rico." As a measure of how little homework the authors of the platform had done, we may note that in the previous March the people of Puerto Rico had ratified by a popular vote a new constitution, making Puerto Rico not a State but a free commonwealth associated with the United States. This new constitution had become law by President Truman's signature before the Republican Convention met and it had become effective 2 weeks after the Republican Party had declared in its platform that Puerto Rico should look forward to eventual statehood.

These campaign promises are really something. Twenty years before President Truman signed the resolution which made Puerto Rico not a State but a commonwealth, the Democrats were saying in 1932 what the Republicans were saying in 1952—that they were in favor of ultimate statehood for Puerto Rico.

In 1940 the Democrats were in favor of statehood for Alaska, Hawaii, and Puerto Rico; the Republicans were saying, on the other hand, that statehood was the logical aspiration for Puerto Rico, while to Hawaii they were saying no more than that it was entitled to the fullest measure of home rule. In those days they thought Puerto Rico a far

better candidate for statehood than Hawaii. Today nobody in Puerto Rico or in the United States is thinking of granting statehood to Puerto Rico.

The point of it all is that at one time or another both parties—the Republicans as late as the Eisenhower campaign of 1952—have been in favor of statehood not only for Hawaii and Alaska but also for Puerto Rico. Yet in fact we have seen the working out of a quite different relationship with Puerto Rico. It is, therefore, not true that the only choices are permanent inferiority in a colonial condition or statehood. There is no such ugly dilemma. The Congress can, as Senators FULBRIGHT, MONROE, and others are now proposing, work out a constitutional status for Hawaii and Alaska which avoids the Far-thington dilemma of statehood versus colonialism.

Such a constructive solution cannot, of course, be improvised quickly, especially amidst the turmoil of this Congress. Nor can it be made acceptable without careful and thorough negotiation. But this is what should be attempted if and when—as now seems probable—the combined bill becomes stalled.

This is the kind of problem to which the President's favorite device of a mixed commission is well suited. For the problem of statehood for outlying territories is not in any but the most trivial sense a partisan or a factional or a regional issue within the United States. It is absurd to think of Hawaii as providing two Republican Senators permanently and Alaska two Democratic Senators, and to line up on this grave matter accordingly. Who is the prophet who knows how they will be voting 5 years hence?

The formation of a State which lies 2,000 miles off the coast of the United States is an unprecedented and radical change in the structure of the Union. No one questions, and no one can question, the right of the people of Hawaii and of Alaska to equality with all American citizens under the American flag. What must be questioned is whether their interests and those of the people of the continent are so nearly identical that they can be fused in the same legislative body.

VISIT TO THE SENATE BY STUDENTS FROM WASHINGTON AND LEE HIGH SCHOOL, ARLINGTON, VA.

Mr. ROBERTSON. Mr. President, I am pleased to have as my guests in the gallery, today, a fine group of students from an outstanding Virginia school which bears the names of two great Virginians, Washington and Lee High School, of Arlington County.

The PRESIDING OFFICER (Mr. HENDRICKSON in the chair). The Chair welcomes these fine American young people as they visit the Senate today.

ANNIVERSARY OF HUNGARIAN INDEPENDENCE

Mr. JOHNSON of Texas. Mr. President, yesterday was one of the more solemn anniversaries in the history of free mankind. It was Hungarian Freedom Day—a day once set aside to commemorate the independence of that great nation.

Freedom and liberty are now but dim and fleeting memories in that once proud nation. It has been crushed under the heel of the Soviet conqueror and has been reduced to the status of a vassal state. But even though freedom as a living reality has been eliminated from the ancient and proud land of the Magyars we

know it is still deep within the hearts of the people—in the innermost recesses where it is locked safe from the prying eyes of the commissars. The Hungarians will not forever submit to tyranny and we all look forward eagerly to the day when once again their land shall be free.

Mr. CLEMENTS. Mr. President, yesterday was Hungarian Freedom Day. The distinguished junior Senator from Minnesota [Mr. HUMPHREY] is absent from the Senate on official business today, and I ask unanimous consent to have printed in the body of the RECORD a statement which he prepared with reference to Hungarian Freedom Day.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT ON HUNGARIAN FREEDOM DAY BY SENATOR HUMPHREY

Today persons of Hungarian descent in all parts of the world are again commemorating Hungarian Freedom Day. I use the term "commemorating" advisedly, for with Hungary in chains and many of its leading citizens in exile or in prison, there is no cause for celebrating Freedom Day.

Hungary has been under the Soviet yoke for almost a decade now. The trappings of democracy, behind which the Communists initially hide their evil purpose, have been removed. Today Hungary is unabashedly a totalitarian dictatorship, a mere province of the Russian Empire, ruled from Moscow. Freedom of expression and freedom of religion have been stamped out.

Those that stood in the way of the assertion of Communist power were ruthlessly removed. Democratic statesmen, like former Premier Ferenc Nagy were forced to flee. Others suffered a worse fate.

For the last 5 years the entire world has been deeply moved by the martyrdom of Cardinal Mindszenty. The fate of Cardinal Mindszenty symbolizes the suffering and persecution to which opponents of communism have been subjected in Hungary. It is typical of the brutality and cynicism of the Communists that imprisonment of the cardinal was not sufficient for them. They subjected the cardinal to the indignity of a public trial on trumped-up charges, surrounded by Communist brutality and "brainwashing."

The suffering of Cardinal Mindszenty is the suffering of the Hungarian nation. But Hungary has known suffering and oppression by foreign tyrants before. Yet it did not surrender. It clung to its own great traditions, repelling all foreign efforts to break its spirit.

In the present dark hour of Hungarian history I have faith that just as Hungary has passed through periods of foreign oppression before to see a day of freedom, it will do so again and Hungarian Freedom Day will once again become a day of rejoicing.

Mr. KENNEDY. Mr. President, yesterday was the 106th anniversary of the independence of Hungary, and I ask unanimous consent to have printed in the RECORD a statement in commemoration of that occasion.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KENNEDY A TRIBUTE TO THE PEOPLE OF HUNGARY ON THE ANNIVERSARY OF THEIR INDEPENDENCE

Hungary is today one of those nations now under the domination of the Communists—behind the Iron Curtain. Since the end of World War II, the world has witnessed the slow and deliberate process of communiza-

tion of this great nation and her great people. Heroes, like Cardinal Mindszenty, have emerged from those valiant forces of resistance, and today they take their rightful place in that never-ending line of those who have defied the tyrant for freedom's sake.

Upon this anniversary of Hungarian independence it is proper that we in America, the citadel of the world's hopes for freedom, send to those oppressed people of Hungary words of encouragement in the hope that from what we say they, as a nation representing the great traditions of Louis Kossuth, may be sustained in this hour of great peril.

However great the efforts the Communists may exert to destroy freedom in Hungary, America and the whole free world know that freedom is the natural state of man, and that it can never be eradicated in this ancient country whose 106th anniversary of independence was celebrated yesterday.

ADDRESS DELIVERED TO THE CARACAS CONFERENCE BY VINCENTE RAO, BRAZILIAN MINISTER OF FOREIGN AFFAIRS

Mr. HENDRICKSON. Mr. President, I ask unanimous consent to have printed in the body of the RECORD the text of an address delivered by Vincente Rao, Brazil's Minister of Foreign Affairs, at the Caracas Conference. In the address our traditional friend once again, under trying political circumstances, substantially aided and assisted the position taken by our Secretary of State, John Foster Dulles.

It is my belief that it is important to take cognizance of the statement made by Brazil's Minister of Foreign Affairs. In so doing, Mr. President, it is my firm conviction that the mutuality of our interests will best be served by a closer analysis of our respective problems, in the light of present world affairs.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

INTERVENTION OF INTERNATIONAL COMMUNISM IN THE AMERICAN REPUBLICS

(By Prof. Vincente Rao, Brazilian Minister of Foreign Affairs)

Mr. Chairman, delegates—

1. When, in speaking before the plenary session, I indicated the basic and inspiring principles of Pan Americanism in my country, I said as follows:

"We believe that the problems of security for our free institutions are intimately linked with the problems of economic security and the raising of the standards of living of our peoples."

Later, in several parts of my speech, I attempted to prove this statement by maintaining that, without the strengthening, without the raising of the standard of living to a compatible level with human dignity we shall always be threatened with aggression by subversive international forces that could endanger or destroy our civilization, our institutions, our very independence.

In speaking now on the United States proposal under discussion, I can do no more than confirm my previous assertions. But, at the same time, I must recognize and declare that if we are subject to an imminent threat, or an aggression by which our civil or political liberty may be lost, we cannot remain idle or fail to make use of the most suitable defense measures commensurate with the threat or attack.

The basic and economic aspect of the problem does not exclude, obviously, defense by other means, in case of need, nor would eco-

conomic programs, which unfortunately are still in the making, suffice to preserve our threatened sovereignty, let alone restore it, if it were destroyed.

2. Of these other means of defensive action, some are strictly internal, others may result from joint inter-American efforts.

In speaking thus, I do not mean that we are going to oppose Soviet intervention (I prefer to say Soviet rather than Communist), with eventual inter-American intervention.

The Brazilian delegation was explicit and categorical in rejecting, without restriction, any or all minds of intervention, political or economic, regardless of its origin.

Moreover, there has long existed in our countries an inter-American consciousness and this inter-American consciousness rejects and dismisses any or all possibility of intervention undertaken by the nations of this hemisphere.

In truth, the proposal now under discussion is precisely the contrary: It deals with preventing intervention from occurring; as promoted or exercised by an extra-continental totalitarian power.

3. I also want to point out, at this time, that to our way of thinking movements designed to effect social transformation, especially those intended to raise the standards of living of peoples, are not necessarily international Communist movements. Such movements frequently become nationalistic in character or sometimes appear as reaction against the excesses of capitalism, and the eventual support of a Communist Party, where it legally exists, does not change this situation.

We believe, moreover, that the defense measures taken today by all nations are lawful against the abuses of economic power, and these are measures which do not mean Sovietism or international communism.

The concept of the normal use of rights in a social sense rather than in an individualistic sense does not apply solely to strictly civil rights but also and mainly to economic rights and, as so conceived, is recognized both internally and internationally.

4. If, on the one hand, what I have just said is a generally accepted truth, it is just as true that a serious danger threatens our free institutions, our sovereignty, our way of living, everything which we have gained through centuries of struggle under the auspices of freedom.

And this danger arises out of the so-called international communism which, when it succeeds, imposes an order that destroys all spiritual, intellectual, civil, and political liberties and conferring to the winners a totalitarian power bound to annihilate human personality.

We fought Fascist totalitarianism in a world war that has cost humanity oceans of blood. Why should we not prepare ourselves to prevent attacks by Communist totalitarianism so that, at least, we can insure the peace of the hemisphere and safeguard our liberties?

An old proverb says that extremes meet. And, in fact, Fascist and Communist extremes have met, and still meet because they are founded on similar structures that are incompatible with our conceptions of life.

All such totalitarianisms are built on three main planks: a mysticism, an infallible leader, and a technique of violence.

Mysticism (nations, race, or class struggle) is the belief imposed under pain of excommunication and dire consequences on earth, while we know how to live in the light not of an obligatory and forced political faith but only of a free conviction of our individual and group rights. Belief imposed by force is international communism or sovietism; free political conviction is democracy.

The leader ("Duce," "Fuehrer," or "Idol") is the infallible man, raised to the heights of divinity, resulting in the subordination

of man to mysticism and to those who handle it—while we reject the concept of power founded on absolutism. A divine, infallible chief and blind obedience are international communism or sovietism; legally constituted power is democracy.

Technique of violence purports to generate civil strife, while we seek social harmony among all classes; it aims at conquering power by force, while we only accept it when constituted by the free vote of citizens; aims at upholding power, achieved through terror, while we enjoy our freedoms within the State against which we are allowed to defend our rights. Struggle and class hatred, attack against power, and terror are international communism or sovietism; social harmony, the free vote, and freedom without fear are democracy.

These three planks are joined together by one party, in contrast to our party freedom, and are incorporated in an all-powerful state, destroyer of the human personality, which absorbs the individual and reduces it to a simple cog in a terrestrial machine, compelling it to adopt and follow the official politics, the official science, the official thought, the official economy, because the state thinks and acts for the individual, and one master, one lord is master and lord of the soul, of the body, of the work, and of the whole human individual.

A single party, an all-powerful state, the destruction of the spiritual, moral, intellectual, artistic, and economic personality of man is international communism or sovietism; freedom of the spirit, intellect, artistic sentiment, way of life of each individual is democracy, within which there is no place for an obligatory policy, neither for the obligation to think like the leaders, or to adopt the so-called science or economic theory of the masters.

Communism or international sovietism is an absolute master; in democracy man does not have a master who governs his soul, body, and activity.

The enslavement of man is international communism or sovietism; freedom is democracy.

No, Mr. Chairman and delegates, a regime of this type does not seduce our American spirit, which guides us all with spiritual and not materialistic norms, seeking peace and not fratricidal conflicts, following a desire for liberty and not slavery.

A regime such as that may only come by force or by subversion to American soil, and against this force or subversion we must unite for our own good.

Everyone knows, Mr. Chairman and delegates, that the agents of this destructive movement serving the cause of Soviet imperialism are working in our midst, now provoking economic disturbances, now hatred or struggles between social groups, now trying to demoralize the public authority, now plotting uprisings, now and always spying.

The essence of Communist mysticism is its universalism that disguises an imperialistic nationalism. Consequently also of its essence is its universal action, its organization, its penetration in all nations.

And if we Americans do not maintain ourselves united to avoid its domination and the sacrifice of our independence we fall to form the strongest bulwark of defense, not only of America but of the entire world.

5. Now the draft resolution presented by the North American delegation has its purpose the uniting of all of the nations of the hemisphere to protect themselves from this danger, thus revealing the significance of true inter-Americanism.

This is a proposal without any particularistic trend, without reference, direct or indirect, to any specific case, rather encompassing the international world situation which we now face in this world unfortunately divided into two parts separated by a gloomy iron curtain.

Basically, this proposal reaffirms the principles already enunciated by the ninth conference and the fourth meeting of consultation of Ministers of Foreign Affairs.

Its final part, which contains its recommendations, refers to the action that to each nation seems advisable to adopt and suggests preventive measures and exchange of information. In all its aspects it is acceptable.

And if, in its text, reference is made to existing treaties, it implicitly offers all of the guaranties and all of the assurances which normally exist in such treaties and which result from their expressed purposes as well as from the procedures approved therein.

6. The delegation of Brazil believes, however, it would be more proper to refer the proposal expressly to consultation among the American nations, within the terms of the Treaty of Reciprocal Assistance signed in Rio de Janeiro, September 2, 1947.

7. Mr. Chairman, fellow delegates, there is not a doubt nor a fear in my mind when I declare that I vote in favor of this proposal. And it is thus, that I, like all Americans, share the thought of the honorable head of the delegation of the United States and contend that "nations, like men, are subject to moral law, and that in the international field the task is to develop international law and to conduct international affairs in accordance with the standards of moral law."

That is all I have to say.

PROPOSED LOCATION OF THE AIR ACADEMY IN INDIANA

Mr. CAPEHART. Mr. President, it is with a great deal of Hoosier pride that I speak briefly on Indiana's outstanding proposed location for the Air Academy. As some Senators know, this proposed location is a beautiful 10,000-acre tract of land along the north side of the magnificent Ohio River, near the city of Madison, in Jefferson County, just across the river from our neighboring State of Kentucky.

It is my understanding that the site selection board originally established to locate the Academy ranked the Madison area among the first 3 or 4 in preference. Secretary Talbott, whose job it now seems to be to locate the Academy, likewise has spoken in high praise of the Indiana site.

In addition to stirring my Hoosier pride, this matter also provides some personal satisfaction to me, since I had the honor of being among the first to introduce a bill providing for the establishment of an Air Academy, after the Air Force became a separate and distinct branch of the Armed Forces. At that time, we in Indiana shared the opinion of experts on the subject that the Madison site was outstanding among all those offered to the Air Force. Subsequent events have proved we were right, and we are now more convinced than ever that the Air Academy should be and will be located in our State.

I do not propose to describe in detail, at this time, the merits of our site. This has been done very excellently by an editorial writer for the Indianapolis Star, so I shall read his account to the Senate:

LANDING THE AIR ACADEMY

Indiana ought one day to share its singular resources with officers and cadets of America's proposed Air Force Academy. Not even congressional action which may prevent Air

Force Secretary Harold E. Talbott from exercising sole authority in naming a site should eliminate Indiana's 10,000-acre plot near Madison.

Any commission of reasonable persons, civilian or military, must finally conclude that some 6 or 8 other proposed sites are simply out of the running when compared with the many advantages offered by Indiana. They include terrain, temperature, and temperament of its people.

On topography and size, Indiana's site fits the bill. "Ten to twelve thousand acres, which will include room for drill and maneuver fields, are required," said Lt. Gen. H. R. Harmon, special Defense Department official.

On weather, Madison's site scores again. "We need a four-season climate. An Air Force trained to torrid or Arctic climates is one-sided," said General Harmon. Well, few sections of the country can offer such weatherglass variety as Indiana. Students of aerology and meteorology will discover surprising extremes within the short distance of a hop from Madison, which in itself adequately meets General Harmon's requirement of a four-season climate.

The general especially emphasized a need for established educational centers in proximity to the proposed Academy. Here again, the southern Indiana site is on the beam. Within 30 to 50 miles may be found such outstanding places of higher education as Indiana University, Hanover College, the University of Kentucky, and Transylvania College (oldest educational institution west of the Alleghenies), the University of Louisville, and the University of Cincinnati (two of the oldest municipally owned universities in America). The latter can claim affiliation with the Nation's first organized study of the elements. The University of Cincinnati includes the Cincinnati Astronomical Society, founded in 1842, and has available to its students the Abbe Meteorological Observatory.

And to clinch Indiana's hold, we offer General Harmon, Secretary Talbott, and all others an added feature: The pleasant relationship between Indiana's civilian and military populations. Hoosier hospitality to service folk has gained favor with the infantry private once stationed at Camp Atterbury, with the Finance Center master sergeant at Fort Harrison, and on up to the Pentagon's top brass.

This happy association of Hoosier resident and uniformed visitor is simple and sincere. It is recognized as an authentic and important factor in maintenance of military morale, for airman as well as "dogface." Certainly, it will be another point in Indiana's favor. We are sure it is one of the several favorable factors that reportedly made Secretary Talbott's eyes light up, when he reviewed the advantages of the proposed site at Madison.

EXECUTIVE SESSION

Mr. KNOWLAND. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. HENDRICKSON in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. WILEY, from the Committee on Foreign Relations:

David McK. Key, of Connecticut, to be an Assistant Secretary of State;

Mark A. May, of Connecticut, to be a member of the United States Advisory Commission on Information;

Justin Miller, of California, to be a member of the United States Advisory Commission on Information; and

Sigurd S. Larmon, of New York, to be a member of the United States Advisory Commission on Information.

By Mr. CASE, from the Committee on the District of Columbia:

Francis F. Healy, for reappointment as a member of the District of Columbia Redevelopment Land Agency; and

Andrew Parker, of the District of Columbia, to be a member of the District of Columbia Redevelopment Land Agency.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

Mr. KNOWLAND. Mr. President, I ask that only nominations under the head of "New Reports" be stated.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNITED STATES COURT OF CLAIMS

The legislative clerk read the nomination of Don N. Laramore to be a judge of the United States Court of Claims.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES ATTORNEYS

The legislative clerk read the nomination of Robert Ticken to be United States attorney for the northern district of Illinois.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Thomas Ramage Ethridge to be United States attorney for the northern district of Mississippi.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. KNOWLAND. I ask that the President be immediately notified of all nominations confirmed this day.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. KNOWLAND. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

STATEHOOD FOR HAWAII

The Senate resumed the consideration of the bill (S. 49) to enable the people of Hawaii to form a constitution and State government and to be admitted into the Union on an equal footing with the original States.

Mr. KNOWLAND. Mr. President, I should like to make an announcement to the Senate.

We have before us as the unfinished business Senate bill 49, which is the bill to enable the people of Hawaii to form a constitution and State government and to be admitted into the Union on an equal footing with the original States. That bill has now been amended by the vote last week on the Anderson amendment to include title II, providing for the admission of Alaska into the Union. At the present time I do not contemplate substituting any other proposed legislation this week for the Hawaiian-Alaskan statehood bill. So far as the majority leader is concerned, when debate runs out we shall be ready to vote on this measure. I do not know whether any other amendments have been prepared or are in the course of preparation. So far as I know there are no additional amendments. At least there are none on my desk at present.

I hope that Senators who are either favorable or opposed to the statehood bill will be prepared to carry on the discussion, if they care to discuss it, this week. However, I wish the Senate to be on notice, so that there will be no misunderstanding, that whenever debate runs out I hope to have a quorum call and then a vote on whatever the pending amendment is at that time.

SENATOR FROM NEW MEXICO

Mr. JOHNSON of Texas. Mr. President, when does the majority leader anticipate he will move to take up the New Mexico election contest?

Mr. KNOWLAND. Mr. President, I shall be prepared to do so in conformity with the proposed unanimous-consent agreement which we have been discussing, and which I send to the desk to have read for the information of the Senate. At an appropriate hour during the day I shall ask for a quorum call. In order that the entire Senate may be on notice that I intend to propound a unanimous-consent agreement, I ask that the clerk read it for the information of the Senate.

The PRESIDING OFFICER. Without objection, the proposed unanimous-consent agreement will be read.

The legislative clerk read as follows:

Ordered, That on the calendar day of Tuesday, March 23, 1954, at the hour of 5 o'clock p. m., the Senate proceed to vote without further debate, upon any amendment or motion, if any, proposed to the resolution (S. Res. 220) recommending that no Member of the Senate was elected from the State of New Mexico in the 1952 general election, and upon the said resolution.

Ordered further, That the time between 12 noon Monday, March 22, and 5 p. m. Tuesday, March 23, be equally divided between the proponents and opponents of the said resolution and controlled, respectively, by Mr. BARRETT and Mr. HENNINGS.

The PRESIDING OFFICER. The Chair understands that the proposed unanimous-consent agreement is being read merely for the information of the Senate, and that it is not intended that it be acted upon at this time.

Mr. KNOWLAND. That is correct. What is proposed in the draft of the

agreement is that, starting Monday, after the Senate meets, it will be operating on the controlled time through Monday and Tuesday, in the discussion of the New Mexico election contest and the resolution which I understand was reported today from the Senate Committee on Rules and Administration.

If the Senate were to be in session from noon until 5 o'clock on Monday, that would allow 5 hours on Monday. A session of similar length on Tuesday would provide another 5 hours, or a total of 10 hours. If it were the desire of the minority leadership or Senators on this side of the aisle to have a little additional time, say up to 12 hours, I should be prepared to recommend that the

Senate remain in session until 7 o'clock on Monday and until 5 o'clock on Tuesday, or until 6 o'clock on both days.

Whatever is mutually agreeable to the majority and minority, to the distinguished Senator from New Mexico [Mr. CHAVEZ], and to the Senator from Wyoming [Mr. BARRETT] and the Senator from Missouri [Mr. HENNINGS], members of the committee representing the two sides, will be perfectly agreeable so far as I am concerned.

While the procedure suggested is somewhat unusual, I believe, in view of the fact that the seat of a Member of the Senate is at stake, it is only fair and proper that once we embark upon the debate it should be carried to a conclu-

sion at the earliest possible time. For that reason I have suggested that the Senate begin the debate on Monday and continue it until voting time on Tuesday, with the time equally divided.

INCOME TAX EXEMPTIONS AND CREDITS FOR DEPENDENTS

Mr. GEORGE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table which I have had prepared for the benefit of the Senate.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Personal exemptions and credit for dependents, 1913-54

	1913-16	1917-20	1921-23	1924	1925-31	1932-39	1940	1941	1942	1943 ¹	1944-45 ²	1946-47	1948 to date ³
Single person.....	\$3,000	\$1,000	\$1,000	\$1,000	\$1,500	\$1,000	\$800	\$750	\$500	\$500	\$500	\$500	\$600
Married person.....	4,000	2,000	2,500	2,500	3,500	2,500	2,000	1,500	1,200	1,200	1,000	1,000	1,200
Dependents.....		200	400	400	400	400	400	400	350	350	500	500	600

¹ For 1943 the victory-tax exemption was \$624 for the taxpayer (no credit for dependents) and an exemption for the spouse of the taxpayer equal to the spouse's income or \$624 whichever was the smaller.

² For 1944 and 1945 the normal tax exemption was \$500 for the taxpayer (no credit for dependents) and an exemption for the spouse of the taxpayer equal to the spouse's income or \$500 whichever was the smaller.

³ For 1948 and subsequent years an additional exemption of \$600 is allowed taxpayers

65 years of age or over and an additional exemption of \$600 for blind taxpayers. Beginning with the taxable year 1948, married taxpayers were allowed to split their income for tax purposes, and for 1952 and subsequent years heads of households received $\frac{1}{2}$ of the benefit of full-income splitting.

⁴ For net incomes in excess of \$5,000, personal exemption is \$2,000.

Source: Staff of the Joint Committee on Internal Revenue Taxation.

Mr. GEORGE. Mr. President, the table shows the history of the personal exemptions and credits for dependents from 1913, when the constitutional income tax amendment went into effect, to the present time.

From 1913 to 1916 a single person was given an exemption of \$3,000, and a married person was given an exemption of \$4,000. The latter was for both a husband and wife.

From 1917 to 1920, during the period of World War I, the exemption was reduced, in the case of a single person, to \$1,000, and, in the case of a married person, to \$2,000.

From 1921 to 1923 the exemption was retained for a single person at \$1,000, but for married persons it was increased from \$2,000 to \$2,500.

In 1924 the exemption for a single person was \$1,000, and for a married person it was \$2,500.

From 1925 to 1931 the exemption of a single person was raised from \$1,000 to \$1,500, and for a married person it was raised from \$2,500 and \$3,500.

From 1932 to 1939, during the depression period, the exemption for a single person was fixed at \$1,000, and for a married person at \$2,500.

In 1940, when we were approaching World War II, the exemption of a single person was reduced from \$1,000 to \$800, and for a married person it was reduced from \$2,500 to \$2,000.

In 1942, when we were actually in the war, the exemption of a single person was fixed at \$500, and of a married person of \$1,200.

In 1943 the same exemptions were continued; that is to say, \$500 for a single person and \$1,200 for a married person.

In 1944 and 1945 the exemption was continued for a single person at \$500, but

for a married person it was reduced to \$1,000.

In 1946 and 1947 the exemptions remained the same; that is, \$500 for a single person and \$1,000 for a married person.

In 1948 the exemption for a single person was raised from the low point of \$500 to \$600, and to \$1,200 for a married person. At the same time the exemption for dependents was likewise raised from \$500 to \$600.

Mr. President, that is the history of the exemptions as they appear in our income-tax laws from the beginning.

The impact of the income taxes upon single persons with no dependents, on married couples with no dependents, and on married couples with two dependents, is also shown in a table, but I shall not ask to have that table inserted in the RECORD because of its length.

Mr. President, it is known that in the House of Representatives some of the members of the Committee on Ways and Means and other Members wish to raise the personal exemption of a single person to \$700 and of a married person to \$1,400.

In the Senate it has been proposed by three Members of the Committee on Finance that the exemption of a single person be raised to \$800 and of a married person to \$1,600. It has also been proposed that in the case of dependents a like increase be made during this year.

I should like to call attention to the fact that, wholly aside from who may be responsible for it, an exemption of \$600 at this time will purchase, in clothing, in shelter, and in food, about what \$300 purchased from the beginning of our income-tax system until we emerged from the depression following World War I.

The present exemptions, therefore, might be stated in realistic terms as \$300

for a single person and as \$600 for a man and wife, and, of course, as \$300 for each dependent in a family.

The present exemptions are wholly unrealistic. They are a very cruel method by which the tax upon the people in the low-income brackets has been constantly increased.

It is immaterial why we were forced to reduce the exemptions; but it is not immaterial to the individual taxpayer, whose exemptions were reduced, when we consider the fact that the present exemptions are actually worth only \$300 in the case of a single person, \$600 in the case of a man and wife, and \$300 for each dependent. It is obvious, of course, that under such reduced exemptions the standard of living in the United States must decline.

Mr. President, I wish to make this statement at this time. The suggestion has been made that an exemption of \$800 would, in purchasing power today, constitute, roughly, on the basis of a 100-cent dollar, an actual exemption for a single person of \$400, and for a man and wife \$800, or \$400 apiece. I cannot think that that would actually reduce the base of the income-tax system, but, if so, Mr. President, I wish to invite attention to the fact that each year approximately 60 million income-tax returns are filed. The persons filing them are not all liable for a tax. If it is desirable to widen the base still further, we might accomplish it by reducing the exemption from \$600 to approximately \$400. That would widen the base; it would spread the base. If it is desirable, it can be done exactly in that way.

I wish to remind the Senate that our whole taxing system has undergone a great change since we inaugurated the income-tax system under the income-tax amendment to the Constitution. We

had an income-tax system before the ratification of that amendment, but it was declared to be unconstitutional, as the present occupant of the chair will recall.

Actually, the demands of government during the two world wars and the late war in Korea have forced an increase of taxation upon all the American people. Under ordinary, normal conditions, Mr. President, it was always my belief—and I made for that belief the best fight I could through the years—that the base of our income-tax system should be widened as much as may be possible, consistent with a fair and decent standard of living in America. Consequently, we have seen the exemptions cut down to the low point of \$500, with a slight increase of \$100 in 1948, to which I have already referred. The returns actually filed disclose, I think, that approximately from 25 to 27 percent of those persons who make returns do not pay any taxes. It is simple enough to reduce exemptions further if it is desired to widen the base and bring everyone in and have them pay taxes, but I repeat that our whole taxing system has undergone a great change even since 1935.

Today, Mr. President, every employed person in the United States, within certain categories, is called upon to pay a tax. It is true that it is a special tax; it provides special benefits to the taxpayer; but every employed person who earns as much as \$3,600 a year pays a tax of \$72, and it is taken out of his weekly paycheck, if he is a daily worker or if he is working on a monthly salary. That is \$6 a month. It has been recommended to the Congress that the base on which that tax is to be computed should be raised from \$3,600 to \$4,200, and then every employed person in the United States—because it is also recommended that practically all persons be brought in—will be paying a tax of \$84 a year, or exactly \$7 a month.

While it is true that that is a special tax levied for a special purpose, it is also true that the tax has put into the Treasury more than \$18 billion, and the Treasury has, of course, issued its bonds, put them into the till, and used the money for the general costs of maintaining the Government. But, while the tax is a special levy for a special purpose, with special benefits to those who pay it, it must be borne in mind that a man 25 years of age who is paying the tax will receive no benefits whatever from it, if he lives and is able to work for 40 years, until he reaches the age of 65.

While that tax is a special tax—and I am emphasizing that fact—the tax impact is the same, so that, under the current pending recommendations to the Congress, every employed person, whether he be employed by another or be self-employed, will be paying that tax annually. It is paid, as I say, on a weekly or monthly basis by those who are on salaries or who are working by the day.

It is my conviction that if we are facing trouble in our economy, the time to act, so far as taxation goes, is before the full effect of the economic disease or ailment has developed; in other words, now or at an early time. It may be true that we are not in a marked recession

or a depression, if you please. I earnestly hope we are not. I devoutly pray that we may escape it. But if we do face a downslide in our economy, there is one sensible thing to do at this time, it seems to me, so far as taxes go, and that is to increase the personal exemptions, which will leave in the pocket of the taxpayer himself, under the proposal to be advanced in the House, an additional \$100 a year, and, under the proposal which I have made, \$200 a year. Of course, that will have some slight effect upon all taxpayers, because it will reduce taxable income by the amount of the exemption.

The real benefit is in the actual take-home pay of the workers. In the consideration of the imposition of income taxes, there have always been 2 or 3 different theories of such taxation. Since the inception of the income tax system in the United States in 1913, there have been two pronounced theories. One is represented by the view that there must be a constant flow of investment capital into enterprise, such as the building of machines, plants, and factories, for the purpose of providing employment for workers. No one quarrels with that theory within reason, or with the principle which is basic in it. But if the economy has passed or is passing from a normal into an abnormal trend or downswing, then it is obvious that that kind of theory will not have any immediate effect upon the economy.

As proof of that statement, let us examine the condition of industry today. Consider, first, steel, which is a basic industry. The steel industry is operating at from 65 to perhaps 69 percent of capacity. Is there any lack of capacity in the steel mills? Not at all. They simply are operating under capacity. The same is true of almost every other key industry.

If that be true, what is the trouble with the economy? It must be due to a lack of buying power or to the natural human reaction to a declining income, which leads us all to undertake to save and to keep what we earn in such a period. In other words, if the daily income of a worker is going down week by week, and he ceases to earn a high income, he has not such an attitude as will cause him to go into the market as a live, active purchaser, because he is inclined, in most instances, to save as much as he can of his purchasing power. Therefore, if the conclusion is correct that there is a downswing in the economy, however hopeful we may be that it will not go too deep, the one way of meeting it, so far as taxing policies are concerned, is to increase the personal exemption of the individual taxpayer.

More than that, basically and fundamentally, the wealth of this Nation is not in its natural resources, is not in plants, is not in productive enterprises which have been erected all over the land. The wealth of the Nation is in the profitably employed time of the workers. When we get away from that principle, in the creation of a taxing system, or in enacting any other sort of legislation, we are on dangerous ground.

The greatest market in the world is right here in the United States, if it is given a chance and is reasonably pro-

tected. When workers are employed and are earning, we need not have too much concern about the flow of money into the capital structure. It will go there. It is always looking for an opportunity; and if the purchasing power is maintained at a reasonable level, the opportunity will be utilized.

What can be unreasonable about an exemption of \$700 a year, which in reality, considering the present value of the dollar, is about \$350, when it comes to buying shelter, clothing, and food? What can be unreasonable about an exemption of \$800 a year, which in reality is about \$400, when it comes to buying food, clothing, and shelter?

It may be said that the Democrats—perhaps all of us—who voted for the expenditure of public funds are responsible for the loss of the purchasing value of the dollar. That is beside the question; I do not care to debate it. I have no quarrel whatsoever with anyone who honestly and sincerely believes he is trying to build in the United States a strong, virile, growing, expanding economy. I might disagree as to the method, but disagreement as to method, at least at first, is not necessarily a disagreement in principle.

I simply say, on behalf of those of us who believe the exemptions should be increased, that whatever may be the high purpose of an honest administration which is seeking to build our economy as it conceives it should be built, if the economy is showing weak spots here and there, and if there is a downswing in it, then we need not talk about increasing the flow of capital investments into the large corporate structures of the United States for buildings or plants, when, for example, the steel industry is now producing at a rate of less than 70 percent of capacity, and when the textile industry is operating on a basis of a 3-day or, in some instances, a 4-day week.

I am not so much alarmed by the fact that statistics show that unemployment had reached a figure of 3,600,000 or 3,700,000 by the end of February, because statistics do not tell all the tale. Included in that figure are many part-time workers, persons who are numbered either as employed or as working less than a full week.

So when conditions as they are are examined, it seems to me there can be nothing unreasonable in the suggestion that we ought now to begin to reduce the exemptions, because that is exactly the same as the lowering of taxes. It is true that the impact of that method is enjoyed by those in the lower brackets and the middle brackets, but the same exemption runs clear through the whole schedule of income-tax payers, whether they be payers of large amounts or be in the very lowest brackets.

That, Mr. President, is what some of us are trying to do and are hoping to do before it becomes too late for some effect to be felt in the economy of the United States.

Mr. MORSE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Georgia yield?

Mr. GEORGE. I yield to the Senator from Oregon.

Mr. MORSE. With the Senator's permission, I should like to ask him a few questions suggested by what I think has been a very able discussion on the tax issue. As I followed the Senator in the citation of the statistics over the years in respect to the raising and lowering of the tax exemptions, I concluded that Congress has raised the exemptions in periods of great national defense emergency, such as the war periods, apparently for two reasons. I look on the Senator from Georgia, incidentally, as the greatest expert in the Congress on the whole subject of taxation.

I wish to ask the Senator from Georgia if I am correct in my conclusion that two of the reasons for lowering the tax base have been to raise more funds to prosecute a war, and to check inflation, by discouraging the purchasing of civilian goods at a time when there was a need to utilize the productive capacity of the country to produce nonconsumption war goods. Is that not true?

Mr. GEORGE. That has been strictly true, because we did not have adequate supplies of consumption goods and we did not want to divert manpower to the production of such goods. We were faced with the problem, during a great emergency, of diverting the full manpower of the country, or as much of it as we could, into the production of defense items.

Mr. MORSE. Is it not also true that when Congress lowered the exemptions, the debates in Congress made it very clear that the policy of the Congress was that it was an emergency policy, and that it was not the intention of Congress to retain the lower tax bases after the war or defense emergency subsided?

Mr. GEORGE. That unquestionably is true. We stressed it in committee and on the floor of the Senate time after time.

Mr. MORSE. I shall come to the economics of the situation in a moment, but does not the Senator from Georgia feel that the Congress has a moral obligation to keep faith with the policy which it enunciated at the time it enacted the lower bases of taxation?

Mr. GEORGE. I certainly do. If I may interpose a thought, I have no objection to the lowering of consumption taxes, but when they are lowered items so treated ought to be carefully selected. The lowering of consumption taxes, along with the raising of the personal exemptions, is thoroughly in keeping with the moral obligation which we have incurred during every period of emergency which has occurred since the time I have been a member of the Committee on Finance, at least; and, as I recall, I became a member of the committee early in 1924.

Mr. MORSE. My next question deals with the so-called special tax to which the Senator has referred, the so-called social security tax, which has been increased to 4 percent under present law. It follows that the social security tax, though a special tax, really performs a very important governmental function, in that if we did not have this means of taking care of people in their old age, the cost of government might very well be increased by even more than the social security system costs, because of the

many economic disjunctures and hardships which flow from the sort of catch-as-catch-can existence endured by people who no longer can work. Is that not true?

Mr. GEORGE. That is unquestionably true, and the social security program has produced, for the benefit of the Treasury, a sum of more than \$18 billion, which we would have had to raise by some other method of taxation. While it is a special tax, the impact of the tax is certainly felt by the taxpayer as much as he feels any other tax.

Mr. MORSE. Then does not the Senator agree with me that it automatically follows that the citation of any statistics tending to indicate that the increase in tax exemptions will result in benefits to perhaps 1 out of 3 taxpayers, who will be really excused from taxation, does not state the complete story, because there must be taken into account the so-called special tax, but nevertheless a tax, of \$7 a month, or \$84 a year, which amounts to a substantial tax on the average worker and the person of low income?

Mr. GEORGE. Undoubtedly it is a substantial tax.

Mr. MORSE. The next to the last question I wish to ask the Senator represents an endeavor to point up what I think needs to be pointed up in the brilliant address which the Senator from Georgia has made today on the tax problem.

As a member of the Committee on Finance, has the Senator from Georgia observed that when unemployment is on the increase, and men are striving for an increase in their purchasing power—and today thousands of them are limited to unemployment insurance as the basis for their purchasing power—there is a natural tendency on the part of potential investors during such a period not to invest, but to freeze their savings until they are satisfied that there is sufficient purchasing power to enable people to buy the goods which such investors would produce if they devoted their money to greater productive effort?

Mr. GEORGE. The answer is "Yes," beyond all doubt. When it is discovered that the purchasing power exists the money which is available for investment in this country will find its way into the market and will begin to help supply jobs.

Mr. MORSE. My last question deals with the manufacturing plants of the country, such as steel plants and others, not now operating to full capacity, and not giving full employment to workers commensurate with the capacity of their plants. Those establishments are still paying substantial dividends, are they not?

Mr. GEORGE. Oh, yes; that is true; they are. Happily, they are in strong financial position, so far as that is concerned.

Mr. MORSE. In fact, I noticed in reading a report in Barron's the other day, that in some instances corporate dividends are even higher than they were when there was full employment. It does not follow that operation of a plant to its full capacity is necessary in order to enable a company to make the greatest profit; for sometimes the operation

of a plant at 60, 70, or 75 percent of capacity will result in greater profit for the manufacturer than when it is operating at 100 percent of capacity. Does the Senator agree with that?

Mr. GEORGE. I think that would be true in some circumstances. I do not know that it would be true if industry were taken as a whole.

Mr. MORSE. It was pointed out in the particular report to which I refer, according to what the editor said, that it was rather hard on the employees, but not necessarily hard on the clippers of dividend coupons. So my question goes to an obligation of government. In time of economic disjuncture, as I call it, although some call it a recession, is there not a moral obligation on the part of Government to take steps, by the adjustment of the tax structure, to increase the employment and purchasing power of our people, rather than to follow a course of action which would protect the dividends paid by the corporations of America?

Mr. GEORGE. Beyond all doubt, I think so, because, as I tried to make plain, in my judgment the real wealth of this country is in the profitably employed time of our workers.

Mr. DOUGLAS. Mr. President, will the Senator from Georgia yield?

Mr. GEORGE. I yield to the Senator from Illinois.

Mr. DOUGLAS. First, I should like to say I think the whole Nation is indebted to the eminent senior Senator from Georgia for the extraordinarily able and penetrating speech he has made today. We know the Senator from Georgia is the greatest authority on taxation in this body, and his analysis, in my opinion, is unimpeachable. He is correct on every point he has made. His diagnosis is accurate. His prescription is proper. So I think the entire Nation is indebted to the Senator from Georgia for his extraordinarily fine speech.

Mr. GEORGE. I thank the Senator from Illinois. I did not intend to make a speech, but I wished to state for the Record some facts which I believed would be helpful to us in the future.

Mr. DOUGLAS. Following up the question of the Senator from Oregon, when the Senator from Georgia stated that one of the motives for lowering the personal exemption in times past has been to reduce consumption, is not its corollary that, if we wish to expand consumption, one of the best ways is to increase the personal exemption?

Mr. GEORGE. I think so. By so doing we not only actually improve the economic condition of the customers, buyers, and consumers but their mental attitude as well is improved.

Living in Washington, D. C., I believe the Senator from Illinois will bear out my statement that the very moment a few Government workers lose their jobs, fear is spread throughout the entire Federal Government employment structure, and the attitude of the workers changes. I use that as an illustration because, very largely, the persons who are employed in the city of Washington are in the Government service.

Mr. DOUGLAS. Following out the very able statement of the Senator from Georgia regarding the varying exemptions in times past and their equivalent in terms of the present-day cost of living, I telephoned the Bureau of Labor Statistics to ascertain the comparative index for so-called consumers' prices, which can be taken as the best measurement of the relative cost of living. If we take the figure for the period from 1947 to 1949 as 100, the index for consumers' prices in 1939 was slightly over 59; for 1940, approximately 60; for January 1954, 115.

So, on a 1939 basis, the increase in consumers' prices has been 95 percent. On a 1940 basis, the increase in consumers' prices has been approximately 92 percent.

Therefore, if there was—and I believe the Senator from Georgia referred to it—an exemption of \$800 in 1939 and 1940, its modern equivalent would be approximately \$1,520 to \$1,560, as of today, or almost twice; instead of which, as the Senator from Georgia has said, at this time the exemption limit is only \$600, or the equivalent of only slightly more than \$300 in the 1939-40 period.

So the restoration of the \$800 exemption limit would still leave the taxpayers with about only one-half the actual, physical exemption which they had in 1939.

Mr. GEORGE. The Senator from Illinois is correct.

I do not think anything very radical has been proposed by anyone in connection with this matter, and I believe this proposal is only a very modest step. However, if taken in time, it might have a tendency to stop the present downswing in the economy.

Mr. DOUGLAS. Mr. President, I think the entire Nation is indebted to the Senator from Georgia.

STATEHOOD FOR HAWAII

The Senate resumed the consideration of the bill (S. 49) to enable the people of Hawaii to form a constitution and State government and to be admitted into the Union on an equal footing with the original States.

Mr. EASTLAND obtained the floor.

Mr. DANIEL. Mr. President, will the Senator from Mississippi yield to me?

Mr. EASTLAND. I yield for a question.

Mr. DANIEL. Is the Senator from Mississippi going to discuss the unfinished business, the Hawaiian statehood bill?

Mr. EASTLAND. That is correct.

Mr. DANIEL. Will the Senator from Mississippi yield at this time, so that I may suggest the absence of a quorum?

Mr. EASTLAND. No; I think we can proceed just as well without having a quorum call at this time.

Mr. President, several days ago I discussed Hawaiian statehood. I stated that the Communist Party controlled the economic life of Hawaii. I stated that the Communist Party had penetrated the government of Hawaii. I stated that the two political parties in Hawaii were about equally strong in numbers; that the Communist Party largely dominated

the Democratic Party; that the Communist Party had influence with the Republican Party in the Hawaiian Islands; and that the statehood proposal now made to the American people is a very dangerous one.

Mr. President, the statement that the Communist Party controlled the Democratic Party in Hawaii was challenged on this floor. Let me say that I now hold in my hand a report of the Commission on Subversive Activities. This report was made to the Legislature of the Territory of Hawaii, and is dated March 1951. Copies of the report are scarce because the Communist element which dominates Hawaii has the power to prevent the printing of the report, and it took certain connections of the Internal Security Subcommittee, which is investigating Communist infiltration into the United States, to obtain a copy of the report.

As I have said, the statement I made—namely, that the Democratic Party in Hawaii was controlled by the Communists—was challenged on this floor. I now read from page 70 of the commission's report:

The Communist infiltration of the Democratic Party appears to have been planned well in advance, because by the time the Territorial convention of the Democratic Party was held at McKinley High School Auditorium, Honolulu, on May 2, 1948, a relatively large number of Communists had been chosen as delegates or alternate delegates to that Democratic convention. Information available to this commission indicates—

Note this, Mr. President—

that 41 Communist Party members held credentials at the convention, and of those, 5 had been members of the executive board of the Communist Party in Hawaii: Jack W. Hall, Koichi Imori, Jack H. Kawano, Jack Denichi Kimoto, and Ralph V. Vossbrink.

They were the five members of the executive board of the Communist Party in Hawaii who were delegates to the Democratic convention.

The report further states:

Several Communist Party members secured appointment to the standing committees of the Democratic convention.

That was a convention which was to nominate Democratic candidates for Territorial offices, to adopt a platform, and to announce the policies of the Democratic Party in the islands of Hawaii, a party of practically equal strength with the Republican Party. Here is the statement of an investigating committee that it was Communist controlled.

If in any State convention of the Democratic or Republican Party in continental United States 41 known Communists obtained credentials as delegates, including 5 of the highest officials of the Communist Party, we would be seriously alarmed at such a condition.

The committee report then goes on to tell of the alleged means employed by the Communists to infiltrate and obtain control of the Democratic Party of the islands, and links them with the regional office of the ILWU.

The ILWU is the union which controls the dockworkers in the Territory of Hawaii. It is the union which controls labor on the sugar plantations and in the

sugar mills. It is the union which controls labor in the pineapple industry. Those are the three basic industries in the islands. It is a union of approximately 30,000 members, whose membership is regimented and controlled, and whose political power is directed by Jack Hall, one of the outstanding Communists in the world, toward Communist ends.

The statement has been made on this floor that there are but few Communists in the Hawaiian Islands. I refer Senators to page 1039 of the hearings, where will be found the testimony of the former distinguished Governor of the Territory of Hawaii, who is now a member of the high court. I refer to Judge Stainback. He stated that the ILWU is a labor union, but that really it is only a disguise for the Communist organization in the Territory.

Mr. President, a distinguished governor, with access to all the intelligence reports of the investigative agencies of the United States, says that the ILWU, which controls the labor movement in the islands and the economic life of the islands, is nothing but a disguise for the Communist organization in the Territory.

If, as Mr. Justice Stainback says, the ILWU is a Communist organization in Hawaii, then communism is in control in Hawaii, because the ILWU controls the economic life of the islands. Shipping is the lifeblood of Hawaii. Hawaii cannot defend herself; and when the shipping lines cannot bring food, starvation is the result. Hawaii is dependent upon shipping; and her shipping industry is dominated by the Communist movement.

Mr. President, I was speaking of the Communist control of the Democratic Party in Hawaii. I shall show in a moment that prominent Republican politicians have had their hands out for votes from the Communists, and have cupped their ears to hear the desires of the ILWU.

The report of the Territorial commission to investigate subversion, on page 72, says:

In June 1949, a resolution was introduced before the Territorial central committee—

Speaking of the Democratic Party. This was a meeting of the Territorial central committee of the Democratic Party of the Territory.

Mr. DANIEL. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield for a question.

Mr. DANIEL. Is the Senator still quoting from the official report of the commission of the Legislature of the Territory of Hawaii, a report made by the commission after investigating communism in the islands?

Mr. EASTLAND. That is correct. The report was made in March 1951. Let me say that the Communists in Hawaii were powerful enough to prevent the printing of the report. It required effort of the Internal Security subcommittee of the Senate to get it.

Mr. DANIEL. I will say to the Senator that as a member of the committee which studied this question, I was quite surprised when a copy of that re-

port was made available to the committee, because the report certainly shows that citizens of Hawaii themselves, members of the legislature, and others who served on that commission reached the same conclusion the Senator from Mississippi has arrived at, namely, that communism is a real threat in the Hawaiian Islands.

I ask the Senator if he is familiar with the questions which we asked Governor Stainback, former Democratic Governor of the Territory of Hawaii, as to the possible control or influence which members of the Communist Party could have in connection with the election of two United States Senators, if Hawaii were admitted as a State.

Mr. EASTLAND. I will say to the distinguished Senator that former Governor Stainback testified that the Communist movement would be able to influence the election of two United States Senators. He further testified that the Communist movement could veto the election of any candidate. Is not that correct?

Mr. DANIEL. That is exactly the testimony to which I was referring. I asked Governor Stainback if he thought the Communist Party had such influence in the islands that it could influence the election of two United States Senators, and he said he thought the Communist Party could influence the election. He added that the party could veto the election of any candidate for the United States Senate.

Mr. EASTLAND. There can be no doubt that the Communist movement in Hawaii has influenced the election of the Territorial legislature. Is not that correct?

Mr. DANIEL. I am not familiar with the testimony on that point.

Mr. EASTLAND. Let me tell the distinguished Senator that I read from the Communist newspaper an article showing that a number of candidates for election, who were elected to the Territorial legislature, were advertising in the Communist newspaper, and, after the election, were thanking that newspaper for its support.

Mr. DANIEL. I heard that.

Mr. EASTLAND. That being true, does the Senator believe that they have influenced the election of members of the Territorial legislature?

Mr. DANIEL. I am certainly inclined to believe that the Communist Party could have influenced the election of members of the Territorial legislature.

Mr. EASTLAND. If the Communists can influence the election of members of the Territorial legislature, by the same token, why can they not influence the election of United States Senators and Representatives from that Territory?

Mr. DANIEL. I am inclined to agree with the Senator from Mississippi that they can. At least I will say to the Senator from Mississippi that the charges made by Governor Stainback have not been adequately investigated, much less answered. I should like to refer to one other point, if the Senator from Mississippi will permit me to do so.

Mr. EASTLAND. I should like to ask the Senator to phrase what he wishes to say in the form of a question.

Mr. DANIEL. Is the Senator from Mississippi familiar with the testimony of Governor Stainback, given at his last appearance before the Committee on Interior and Insular Affairs concerning the control of the ILWU by the Communist Party? Is the Senator familiar with the fact that the Governor said, as reported at page 519 of the hearings:

The men that control it—

Referring to the ILWU—

absolutely follow the Communist line, and they follow Jack Hall and Bridges.

Is the Senator familiar with that testimony?

Mr. EASTLAND. I am familiar with it. Furthermore, Mr. Stainback also testified that while the ILWU is a labor union, it is really merely a disguise for the Communist organization in the Territory.

Mr. SMATHERS. Mr. President, will the Senator from Mississippi yield for a question?

Mr. EASTLAND. Yes; for a question.

Mr. SMATHERS. Is that the same gentleman, Governor Stainback, who appeared before the Committee on Interior and Insular Affairs on several previous occasions, when he said he was in favor of statehood for Hawaii?

Mr. EASTLAND. That is correct.

Mr. SMATHERS. Do I understand the Senator to say that Governor Stainback now comes before the committee and says that the ILWU controls the politics in the islands, and that the ILWU is itself controlled by the Communist Party?

Mr. EASTLAND. At page 519 of his testimony he is reported as saying:

Senator SMATHERS. Mr. Reinecke is active now?

Governor STAINBACK. I think he is employed by the ILWU, that is, the so-called labor union, but really it is just a disguise for the Communist organization in the Territory. He is working in their statistical department, and I believe he has been employed by them since he lost his position.

Mr. SMATHERS. I then asked Governor Stainback whether in his opinion the Communist movement has lessened or increased, and the Governor stated it has increased. I mention that because several Republican Senators who on previous occasions opposed statehood are now saying that because of the conviction of Jack Hall the Communist influence is decreasing.

Mr. EASTLAND. What the Senator from Florida states is correct.

In addition to that, the decent people in Hawaii—and most of the people there are fine people—publish a paper called the Spotlight in their effort to fight the Communist movement in Hawaii. I placed in the RECORD a few days ago an issue of that paper, published in January of this year, in which it is stated that the Communist influence in the Territory of Hawaii is increasing, and it cites reasons for the increase.

Furthermore, before the Territorial Central Committee of the Democratic Party, in session in June 1949, a resolution was introduced which required that all prospective Democratic Party members swear that they are not and have

never been members of the Communist Party or of any subversive organization.

The report stated that after a bitterly contested 3-hour session, highlighted by an exchange of invectives between the right and left wing committee members, the resolution was defeated by a vote of 8 to 7.

Who can say that the Democratic Party of the islands is not Communist controlled, when they defeat a resolution which would require prospective Democratic Party members to swear that they are not and never have been members of the Communist Party or any other subversive organization? Note the significant words "subversive organization."

Mr. SMATHERS. Mr. President, will the Senator yield at that point?

Mr. EASTLAND. I yield for a question.

Mr. SMATHERS. I hold in my hand an article appearing in the Honolulu Star-Bulletin of February 22, 1954. The Star-Bulletin is published by the distinguished Delegate from Hawaii [Mr. FARRINGTON]. The article deals with a young man by the name of Frank F. Fasi, the Democratic National Committeeman for Hawaii. He is a very estimable and able young man. He singled out John A. Burns, chairman of the Territorial Democratic Central Committee, and asked him if he would denounce the Communists. Mr. Burns not only refused to denounce the Communists, but his group started an action to try to have young Fasi thrown out of the Democratic Party because he was opposing the Communists in it.

If the Senator will permit me to do so, I should like to ask unanimous consent to have the two articles dealing with this subject printed in the RECORD at this point.

Mr. EASTLAND. I should be happy to have the Senator do so.

Mr. SMATHERS. I make the request, Mr. President.

The PRESIDING OFFICER. Is there objection?

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Honolulu Star-Bulletin of February 22, 1954]

FASI CHALLENGES BURNS, AKAU TO DENOUNCE "ILWU REDS"

Frank F. Fasi, Democratic national committeeman for Hawaii, has set off another crackling dispute in his party by challenging two of its top leaders to denounce the Communist leadership of the ILWU once and for all.

He singled out John A. Burns, chairman of the Territorial Democratic central committee, and John K. Akau, Jr., chairman of the party's Oahu county committee, as the prime targets of his attack in a radio broadcast last night.

Mr. Fasi asserted that Mr. Burns refused to testify against Jack W. Hall, Territorial director of the ILWU, who was convicted last year in the Smith Act trials of conspiring to advocate and teach the overthrow of the Government by violence.

"I challenge you again, Mr. Burns, to deny that even today you are working hand in glove with agents of the Communist ILWU leadership to control the coming Territorial convention," Fasi said.

"RIDICULOUS"

Queried on the assertion, Burns replied today: "The charge is so ridiculous I wouldn't even dignify it with an answer."

Burns added that "I feel sorry for poor Fasi. He hasn't even got the virtues of a Don Quixote to help him along."

Mr. Akau hurled back a countercharge that Fasi is using his office as national committeeman to run for mayor. He added it is highly unethical and predicted Fasi will be defeated in the mayor's race.

"Fasi is trying to get me to deny something that is nonexistent," Akau said. "At one time, there is no doubt that there were Communist influences in the party. But they are not there today."

Akau pointed out that he was one of the leaders of the faction that walked out of the Democratic Territorial Convention in 1950 after it charged that a leftwing segment was influenced by Communists.

COMMITTEE BLIND

In his broadcast, Fasi also reiterated charges that Burns has refused to call meetings of the central committee. He said the Oahu county committee is blind to the needs of our precincts.

He said thousands of independent voters are waiting anxiously for a responsible Democratic Party.

"They don't want to go along year after year with a big-business Republican Party, but they have no alternative when a vacuum exists on the Democratic side. They can't bring themselves to work in a party where any candidate must bow down and kowtow to Communist ILWU leadership," he said.

[From the Honolulu Star-Bulletin of February 25, 1954]

PARTY OFFICIALS EYE WAY TO OUST FASI
(By Gardiner B. Jones)

Democratic National Committeeman Frank F. Fasi may have to fight to retain his post at this year's Territorial party convention.

The dissatisfaction with his utterances among party officials and their close workers apparently has crystallized into a decision to try to oust the national committeeman. These officials will not comment one way or another on the report, and by their silence they give it a certain amount of credence.

Mr. Fasi never has been popular with these officers—Central Committee Chairman John A. Burns, the central committee members themselves, County Committee Chairman John Akau, the county committee, and others—since shortly after he won his post in 1952. His repeated attacks on what he has labeled party hacks could hardly endear him to them.

The national committeeman's greatest strength always has been among what might be called the nonparty Democrats—those who except on election day take no part in party business. This was highlighted by his showing in the party primary 2 years ago against Mayor John H. Wilson when he was bitterly opposed, and ruled off the stump, by the party organization.

Technically, Mr. Fasi was elected for a 4-year term at the last convention and would have tenure for another 2 years.

However, with Hawaii Democratic Party officials, when there's a will a way can be found, and the party rules are perhaps the most fractured collection of regulations in the Territory. They realize, however, it's no easy job to oust a national committeeman.

The talk that is going around in party circles now points the way in which the attempt to unseat Mr. Fasi might be made.

An attempt would be launched at the convention to declare that Mr. Fasi in his

actions and words as national committeeman has ceased to represent the Democratic Party. A resolution would be introduced to declare the national committeeman post vacant, and an alternate committeeman would be named.

It then would be up to this alternate to go before the Democratic National Committee in Washington and persuade it that his credentials supersede those of Mr. Fasi. Since the national committee has formally accepted Mr. Fasi to membership, it would be necessary for that body to rule him no longer a member.

A similar development came during the tenure of Charles E. Kauhane but it never went to full fruition, principally because the national committee never went on record in the matter. That was during the period when the local party was split into two segments following the celebrated "walkout convention."

A successful attempt against Mr. Fasi would require, first, election of sufficient delegates to this year's party convention responsive to the leadership of Mr. Burns and his followers.

Those who are talking about this eventuality hold the opinion that should Hawaii be granted statehood before summer an attempt to oust Mr. Fasi would have greater chances of success. The reason in support of this is that the national committee might be more susceptible to an argument along lines that now is the time to start with fresh officials.

Mr. EASTLAND. That bears out the charge regarding the Communist power inside the Democratic Party in Hawaii. The Communists in Hawaii have always been Communists, but they have not always been Democrats. The Hon. JOSEPH R. FARRINGTON is not a Communist, and he has never been affiliated in any way with communism. He is a very excellent and estimable gentleman.

Mr. President, I hold in my hand a ballot. It reads:

PAC—

That stands for Political Action Committee. At that time, in 1946, the ILWU was affiliated with the CIO, as were approved Communist unions. In reality it is an ILWU ballot. It reads:

PAC, FIFTH DISTRICT

The Oahu Political Action Committee requests your support in the general election for these candidates:

FOR DELEGATE TO CONGRESS

FARRINGTON, JOSEPH R. (Republican).

FOR THE SENATE

Mau, Chuck (Democrat).

FOR THE HOUSE OF REPRESENTATIVES

Char, Yew (Democrat).

Furtado, William M. (Republican).

Holt, George H., Jr. (Democrat).

Kauhane, Charles Ernest (Democrat).

Kido, Mitsuyuki (Democrat).

Wong, Tommy (Democrat).

CITY AND COUNTY OF HONOLULU**For mayor**

Wilson, John H. (Democrat).

The point is that the Communist movement was so strong in 1946 that even good and able men who desired to hold public office had to accept the support of the ILWU.

Mr. President, I ask unanimous consent that the ballot be printed in the RECORD at this point in my remarks.

There being no objection, the ballot was ordered to be printed in the RECORD, as follows:

PAC, FIFTH DISTRICT

The Oahu Political Action Committee requests your support in the general election for these candidates:

FOR DELEGATE TO CONGRESS

FARRINGTON, JOSEPH R. (Republican).

FOR THE SENATE

Mau, Chuck (Democrat).

FOR THE HOUSE OF REPRESENTATIVES

Char, Yew (Democrat).

Furtado, William M. (Republican).

Holt, George H., Jr. (Democrat).

Kauhane, Charles Ernest (Democrat).

Kido, Mitsuyuki (Democrat).

Wong, Tommy (Democrat).

CITY AND COUNTY OF HONOLULU**For mayor**

Wilson, John H. (Democrat).

For supervisors

Asing, John Maynard (Republican).

Godbold, Wilford D. (Democrat).

Kageyama, Richard M. (Democrat).

Kauhane, Noble K. (Democrat).

Lau, Ah Chew (Democrat).

Noda, Steere G. (Democrat).

Mr. MALONE. Mr. President, will the Senator from Mississippi yield?

Mr. EASTLAND. I yield.

Mr. MALONE. A few days ago the Senate voted to amend the Hawaii statehood bill by including statehood for Alaska. Is that correct?

Mr. EASTLAND. That is correct.

Mr. MALONE. If the Senator will further yield, I should like to ask him if he would agree with the provisions of two bills, to which I am about to refer. One was introduced by the distinguished Senator from Nebraska [Mr. BUTLER], chairman of the Committee on Interior and Insular Affairs, and the committee held hearings on it. The bill provides that the Governor and the secretary of the Territory of Alaska shall be elected by the people of that Territory, and then proceeds in further detail on the order of the Puerto Rican bill which was introduced following a trip of 5 Senators, of which I was 1, in 1947, when Puerto Rico was really very aggressive in attempting to become a State.

We reported to the committee that we did not believe Puerto Rico should become a State, but that it should have self-government, elect its Governor and certain other officials, write its own constitution, within the purview of the Constitution of the United States, which should be approved by the Congress, and then control its own government. That has been accomplished, and, I understand, very satisfactorily. The Butler bill for Alaska is along the same general lines as the Puerto Rican measure, but somewhat different in detail.

Would the Senator from Mississippi approve such a bill?

Mr. EASTLAND. I think the distinguished Senator from Nevada has an interesting proposal, and, without having studied it in detail, I am very favorably inclined toward it.

Mr. MALONE. Of course, there would be hearings held and everyone would be given an opportunity to be heard.

Mr. EASTLAND. I favor the principle of the Senator's proposal.

Mr. MALONE. Would the Senator from Mississippi favor such a bill for Hawaii, which has been introduced by the Senator from Nevada? No hearings on it have been held, but the bill provides, roughly, the same character of legislation, providing for the election of a governor and other officials, the governor to appoint justices and judges, and providing also for the formation of a constitution by the people of the Territory, of course, within the purview of the Constitution of the United States, to be approved by the Congress. Does the distinguished Senator believe that those two pieces of proposed legislation, the Butler bill and the Malone bill, providing for Alaska and Hawaii self-government such as has been granted to Puerto Rico should be studied by the Committee on Interior and Insular Affairs, and if they should seem to fit the situation, they should be approved and sent to the Senate floor?

Mr. EASTLAND. I agree with the distinguished Senator. I think that is the correct thing to do, and I am very confident that I would support such proposed legislation. I usually find myself supporting bills introduced by the distinguished Senator from Nevada.

Mr. MALONE. I thank the distinguished Senator. Later on in the debate I may find it convenient to discuss the two bills further.

I have opposed statehood for Hawaii on the simple premise that to start taking noncontiguous areas into the Union would mean that there will be no stopping point.

We might be asked to take in from 3 to 5 Territories in the near future. Even the application of Newfoundland might be favorably received.

Puerto Rico has not forgotten statehood by any means, though its government is working very well and the people are not complaining. If we take into the Union a noncontiguous area more than 2,000 miles from the mainland, perhaps not over 1 percent of them would ever visit the mainland—and there is no chance of ever having a homogeneous people. While there are many wealthy people in Alaska, Hawaii, and Puerto Rico, there are very many more persons who do not have the money to visit the United States. Therefore, most of the working population which I have heard described by the distinguished Senator would never see the mainland.

In the main, the thinking of people in offshore areas does not run in the same channel with our thinking, so far as government is concerned. Therefore, I have opposed statehood for any offshore area, and was 1 of 5 Senators, as I have previously stated, who reported on Puerto Rico. I have said everything I could in committee to bring about the kind of government in the Territories that seemed justified.

I hope the Senate will see fit either to recommit the pending bill to the committee, or to consider the two bills to which I have referred, and other bills

which may be introduced along the same lines for other Territories.

I agree with the distinguished Senator from Mississippi that statehood should not be granted to offshore, noncontiguous areas.

Mr. EASTLAND. Mr. President, I desire to ask the distinguished junior Senator from Nevada a question. If, in the case of Hawaii we should relinquish the rule that we shall not take into the Union any Territory outside continental North America, why should we not relinquish it as to Okinawa, Samoa, or any other island?

Mr. MALONE. I say to the Senator that once we take in a noncontiguous area, there are some persons who would advocate admitting into the Union Australia, or even England, or any other nation. There are persons who advocate taking in enough outside areas for a world United States thinking it would prevent war. We would then have a United States of the World.

Mr. EASTLAND. They would even advocate taking in a government such as France, which is as weak as water.

Mr. MALONE. That is correct. France can elect a president only after a long struggle; and according to reports which we receive, it is difficult for the government to function at all. Of course, the United States taxpayers are paying France's taxes at the moment. It seems to me there should be a limit as to how far we should go.

I merely point out to the distinguished Senator that for nearly 170 years it has been a principle with us to confine to contiguous areas territory accepted into the Union. If some person in Maine, for instance, should hold up his hand and be given a ride he might find himself in another State within a few hours. That is one thing. It is well known that at any time one travels 2,000 miles for a couple days—and I have been in Hawaii several times—it involves a cost of \$500 or \$600. Ninety-eight or 99 percent of the people simply do not have that kind of money.

I visited Hawaii during World War II. I was special consultant to the Senate Committee on Military Affairs. I was not a Member of the Senate. I had a special limits card and could ride any plane in the Pacific. Hawaii had a military governor as well as a civilian governor. Governor Stainback was the civilian governor. I had a visit with him in 1943. Although I cannot remember discussing the matter specifically with him, nevertheless, a year or two later he advocated statehood. I listened to him for 2 days in the committee. If anyone could listen for 2 days to Governor Stainback describing the conditions in Hawaii, and still continue to be for statehood, it would surprise me greatly. Of course, he did not consider what I consider to be the real drawback to statehood, namely, a noncontiguous area. He simply said that he would no doubt again be for statehood, but that that was not the time.

Mr. EASTLAND. The views of the distinguished Senator from Nevada are

certainly intelligent and sound. The distinguished Senator has been to Hawaii. He knows the power of the ILWU in Hawaii. Does not the Senator believe that if Hawaii had two Senators and a Representative to represent it in Washington, there would be two votes in the Senate to repeal the Taft-Hartley Act?

Mr. MALONE. There might be two votes to repeal a good many acts. I simply think we ought to handle Mr. Bridges before we proceed to consider statehood for Hawaii, even if it is decided to take in noncontiguous areas which, to my mind, is the real objection.

Mr. EASTLAND. Does not the Senator from Nevada believe that Mr. Harry Bridges would have tremendous influence today in the election of two Senators?

Mr. MALONE. I think he would elect them.

Mr. EASTLAND. The Senator thinks Mr. Bridges would elect them. That means that Moscow would have a voice in deciding the foreign policy of the United States. It means that Moscow would have influence in the domestic affairs of our country.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield for a question.

Mr. KNOWLAND. Is not the Senator from Mississippi familiar with the fact that in the proposed constitution for the State of Hawaii which was submitted to the people of the Territory of Hawaii there was included a provision that no person who advocated overthrow of the Government of the United States or of the Constitution of the United States, by force or violence, could hold public office in the State of Hawaii; and despite the opposition of the ILWU and certain other groups, the people of the Territory of Hawaii, by a majority of more than 3 to 1, voted for statehood? Is not that a fact? Does not the Senator know that to be a fact?

Mr. EASTLAND. No; I do not know it to be a fact. I know the proposed constitution contains such a provision, but I certainly know that the man who has the feedbag, the man with the power to elect Senators, is the one who will influence the Senators. Of course, he would influence the Senators. And Harry Bridges is a puppet controlled from Moscow.

Mr. President, they would use their votes to socialize the medical profession. They would use their votes to destroy our immigration laws.

I sat in the Senate for years and heard the Republican Party ridicule and oppose the New Deal. Yet here they are with more of a New Deal contained in this proposal than I have ever seen presented in the Senate.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield for a question.

Mr. SMATHERS. I wonder if the Senator from Mississippi is familiar with the testimony beginning at page 223 of the hearings, in which one of the

stanchest opponents of statehood for Hawaii, Mr. Dillingham, who is reported to be one of the big five in Hawaii, admitted before the committee that the ILWU controlled politics in the Territory of Hawaii. If the Senator from Mississippi would not mind, I should like to read the question and answer colloquy which is recorded in the hearings.

Mr. EASTLAND. Mr. President, I ask unanimous consent that, provided I do not lose the floor, the Senator from Florida may be permitted to make the statement he desires to make.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SMATHERS. The question was whether the ILWU, which was admitted to be Communist-dominated, controlled politics in the Territory of Hawaii.

Senator SMATHERS. Let me ask you this question right there. You say while they may be elected without the help of the ILWU, you say they cannot be nominated without the help of the ILWU?

Mr. DILLINGHAM. Yes, sir.

Senator SMATHERS. How can a fellow who is not already subservient to the ILWU even get in the race at all if he cannot be nominated without their help?

Mr. DILLINGHAM. He either runs on the Republican side and runs and gets licked, or gives up the ship before running.

On page 224, the following occurred:

Senator SMATHERS. Is that true in the Republican Party at all?

Mr. DILLINGHAM. I will say the Republicans are also affected by it, particularly with respect to the outside islands very definitely, and to a lesser degree on the island of Oahu as well.

Senator SMATHERS. In other words, to get elected, most anyone has to make some sort of peace with the ILWU.

Mr. DILLINGHAM. Sir, let us put it this way. As we are highly organized and as labor is very strong, as in any community in which you have a substantial element of labor, you necessarily have to appeal to them. That is only political good sense.

Senator SMATHERS. That is right.

Mr. DILLINGHAM. I do not deny for a minute that I have not tried to appeal to them also. The fact is that where you want to draw the line and make the distinction is between appealing to the rank and file, or trying to reach the rank and file through the ILWU leadership. That, I think, is substantially the difference between a great many people's approach.

Senator SMATHERS. But there are a number of Senators there who are elected, and who have received the nomination and who received the bulk of their support by virtue of having made common cause with the leadership of the ILWU.

Mr. DILLINGHAM. That is correct.

Senator SMATHERS. Which you admit is Communist controlled.

Mr. DILLINGHAM. That is correct. I maintain that they do it for practical political reasons.

So when it is said that those seeking elective office in Hawaii do not have to make common cause with the Communist-controlled ILWU, they are flying in the face of the record made before the Committee. It is in the record, and is undisputed.

I thank the Senator from Mississippi.

Mr. EASTLAND. The hands of the Republican Party in Hawaii are not clean. Communists have influence with the Republican Party. Let me say that a Communist captive on the Democratic

ticket came within 10,000 votes of beating the anti-Communist, Mr. FARRINGTON. I read from the testimony of Governor Stainback in the hearings. He was being questioned by the distinguished Senator from Utah [Mr. WATKINS]:

Governor STAINBACK. I do not think that you quite get me. If a judge is witness to a fact, necessarily he will testify; but it is not desirable to have opinion evidence as to this, that, and the other. In which case I do not believe that a judge is an absolute necessary part. I testified for this reason: that the United States attorney came to me and said that they wanted the testimony of certain prominent Republican politicians and that they would not testify unless they got three equally prominent Democrats to testify.

That has not been denied. Here were men charged with an offense that amounts to treason, Mr. President; men charged with the most heinous crime known to the law. Here were three prominent Republican politicians who had been asked to testify against men charged with treason, and to testify in defense of their country, but they said, "Oh, no; you must get three Democrats. We will not testify."

Mr. President, when the Democratic Party has been shown by a commission to have been infiltrated, and when similar infiltration has been shown to have occurred in the Republican Party, no one can tell me that the Territory of Hawaii is entitled to statehood.

With that fear, and with the Communist influence which is shown to exist, who is there to say that two Senators from Hawaii would not be influenced by Harry Bridges and would not be subject to influence from Moscow?

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. SMATHERS. I wish to make it clear that a moment ago, when I read the testimony of the Hawaiian Territorial Senator, Mr. Dillingham, in which he said they would make common cause with the ILWU, which was Communist controlled, Mr. Dillingham's political affiliation was Republican, and not Democratic.

Mr. EASTLAND. Certainly, Mr. President, politicians running for public office deal with votes. Communists constitute the strongest political entity in the islands, for the proof shows that both parties deal with it, and that it influences both political parties.

I read further from the testimony of Governor Stainback:

I did not consider myself a prominent Democrat—I am just an ex—but rather than lose the testimony of these people that they desired, I went over there and testified in this case so that they could obtain these Republicans. Now, that looks to me like a strange situation; where they fear the power of this so much that you Democrats have got to take equal blame in antagonizing this powerful body. That is a situation that strikes me as a rather remarkable setup.

I agree, Mr. President, that it is a remarkable setup. It shows Congress should take action to forcibly stem communism and communistic control in that Territory.

Senator DANIEL. Do you think that these Communist leaders would have any substantial influence in the election of two United States Senators from Hawaii?

Governor STAINBACK. I do not think that there is any question; they would have influence in the election of the Senators and Representatives just as they have in the members of the legislature.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. SMATHERS. I congratulate the Senator from Mississippi for bringing out this information so that the general public may have some knowledge of it. Does he not agree that if the Committee on Government Operations is so anxious to find Communists, it might be well for it to spend its time in the Territory of Hawaii, where Communists themselves have admitted that there are more Communists per acre and more per 100 people than there are in any other area of the United States? Does not the Senator think they could spend their time well in the Territory of Hawaii?

Mr. EASTLAND. I most certainly do.

Mr. SMATHERS. Does the Senator know why the committee does not go there?

Mr. EASTLAND. No; I do not know why it does not go there.

Mr. SMATHERS. Does the Senator understand why the committee is going to Alaska to investigate the possible misuse of \$100,000 or \$200,000, which we admit is bad, but refuses to go to the Territory of Hawaii, where we know the Communist movement is greater and stronger than in any other area within the control of the United States?

Mr. EASTLAND. I am very sorry this question has become so involved in politics. I think, as does the Senator, that the committee is going to Alaska to get information with the purpose of defeating statehood for Alaska because in the event of statehood being granted to Alaska there would be two Democratic Senators from Alaska. There is a desire to obtain two more Republican Senators, regardless of what it costs the country. But I say, Mr. President, that if Hawaii were admitted as a State Harry Bridges would get two Senators on this floor.

To show further Communist control in Hawaii, I refer to page 1141 of the testimony of Governor Stainback.

Note this, Mr. President:

Governor STAINBACK. A speech was made on the steps of the capitol when I was governor, and this man pointed his hand up there and said:

"We will make this a State. We will get rid of that Governor up there and get our own man. We will get rid of these capitalist-controlled judges and put our own men in."

I am sorry to see that what Communists are saying, namely, "We will get rid of these capitalist-controlled judges and put our men in," has the support of the Republican Party in the United States.

They, the ILWU leaders, think they could control a State. That is their opinion, as well as the opinion of a good many others.

They think they can control the State once it is admitted to statehood.

Mr. SMATHERS. Mr. President, will the Senator yield for a question?

Mr. EASTLAND. I yield for a question.

Mr. SMATHERS. Is it not a fact that after the jury convicted Jack Hall, who was the actual leader of the ILWU, and an admitted Communist, the ILWU, without any reason whatsoever, without there being a dispute as to hours or wages, in the face of that conviction, went on a voluntary strike? Some 26,000 people refused to work for about 3 days, protesting what they called an unfair decision, which was that Jack Hall was a Communist.

Mr. EASTLAND. The Senator is correct, and they defied the courts of the United States.

There is another powerful union, Mr. President. The second powerful union in the Territory of Hawaii is the Public Workers Union. It has more than 2,000 members in the Territorial government of the islands. I hold in my hand a clipping from the Honolulu Star-Bulletin of January 4, 1954. This is the concluding and eighth article by Millard Purdy. It reads:

EDITOR'S NOTE.—Who are the United Public Workers and where are they strongest? Who runs the union? Is it a Communist-controlled union? These and other questions are explored in this series.

How can some 2,000 Hawaii residents, whose loyalty to America is unquestioned, swear by the United Public Workers, a union that has had a history of Communist domination ever since its inception in 1946?

Mr. President, I ask this question: How can 2,000 loyal residents, if their loyalty is unquestioned, swear allegiance to a Communist union, a union which has been Communist since its inception 8 years ago?

Many public officials and others also are puzzling over an allied question: What can be done about it?

Perhaps an answer to one will indicate an answer to the other.

As pointed out in a previous article, the great majority of UPW members do not believe their union is run by Reds. They say that Henry P. Epstein, Territorial UPW director, and his organizers never mention communism to them.

Henry Epstein is a notorious Communist. I ask this question: If this Communist union had organized a large proportion of the employees of the United States Government, do my colleagues not think that the Congress would take steps to break its power? Of course we would. The fact that the Territorial Legislature permits such a disgraceful condition to exist shows the power of communism in the Territory of Hawaii.

I read further:

They seem blissfully unaware of the disciplined secrecy with which Communists have been proved to operate. In mainland unions, Red leaders have signed non-Communist affidavits under the National Labor Relations Act provisions—and gone right ahead being as faithful Communists as ever.

They are unimpressed by reports of the Territorial commission on subversive activities asserting the UPW is Communist-controlled, or by such warnings as this from the Commission.

Mr. President, that makes it even worse. If a congressional committee with jurisdiction over the subject matter had found

that an organization to which a large proportion of the Federal Government's employees belonged was Communist-controlled, Congress would act to break the power of that organization. The Senate, including Members on both sides of the aisle, would act promptly to break the power of the organization.

The fact that no action has been taken in Hawaii, and that the organization has been permitted to grow and grow and grow, until more than 2,000 Territorial employees are members of it, shows that communism has a terrific hold and an important hold upon the government and the Legislature of Hawaii.

Mr. SMATHERS. Mr. President, will the Senator from Mississippi yield to me?

The PRESIDING OFFICER (Mr. PURTELL in the chair). Does the Senator from Mississippi yield to the Senator from Florida?

Mr. EASTLAND. I yield.

Mr. SMATHERS. Will the Senator from Mississippi explain why it is that certain witnesses who favor Hawaiian statehood point out the fact that there are not very many—so they say—recognized or registered Communists in Hawaii? Former Governor Stainback and other reputable citizens who oppose statehood for Hawaii state that those who favor statehood say the influence of the Communists in Hawaii cannot be very great, because there are not very many of them. Will the Senator from Mississippi comment on that point?

Mr. EASTLAND. Mr. President, if the intelligence reports are obtained, I am sure it will be found that the Communist Party in Hawaii has deliberately held down its membership, for the reason that the existence of a great many members would dilute the power of the few who control the economic life of the islands. So it is not a question of the number of members. On the contrary, the question is the power of the Communists to control the economy of Hawaii and their power in the Government of Hawaii. The undisputed proof is that there are 30,000 members of the ILWU, who, with their families, constitute a sizable voting bloc; and that there are 2,000 members of the Public Workers Union, who, with their families, constitute or compose another sizable voting bloc; and the testimony shows that they are disciplined and controlled by the Communist Party members. The testimony further shows that the Communist Party members are so influential and powerful that they control the Republican Party in Hawaii—so much so, in fact, that we learn from the record that 3 Republican members would not testify against communism unless 3 Democratic members also would testify against it. Those Republicans took that position because they did not want the Communists to get mad at the Republicans.

Mr. SMATHERS. Is it not true that there were, comparatively, very few members of the Communist Party in the Soviet Union, in the early days of communism in Russia, following the revolution?

Mr. EASTLAND. That is true.

Mr. SMATHERS. Is it not a fact that the testimony is that there are only

about 6,000 Communist Party members in the Soviet Union today, although the Communist Party in the Soviet Union controls more than 680,000,000 people?

Mr. EASTLAND. I do not know about that; but certainly the Communist movement in Hawaii is more powerful today than was the Communist movement in Russia at the time when the Communists took over the Government of Russia in 1918.

Mr. SMATHERS. Does the Senator from Mississippi remember the testimony given by Mr. Paul Crouch, who himself was the organizer of the Communist Party in Hawaii? Let me read a part of his testimony:

Senator SMATHERS. Would you say the Communist strength in Hawaii exceeds that on the mainland by a ratio of 8 to 1, or 5 to 1, or 20 to 1, or what?

Mr. CROUCH. Twenty to one would be putting it very conservatively from the viewpoint of immediate potential danger. I might say if the Communist Party in every State on the mainland had the same strength so far as basic industry is concerned, control over the workers, that our country undoubtedly would have a revolution within 12 months. If Hawaii were an independent nation without the presence of United States soldiers, there is little doubt but what Hawaii would also have an armed insurrection within a year, and a seizure of political power by the Communists there. It does not take many Communists to do that. If their membership were down to 15, they would still have that power.

Mr. EASTLAND. Mr. President, I should like to ask the distinguished Senator from Florida a question. He is a leader in the fight against statehood for Hawaii, and he has done very fine work. Probably he knows more about this question than does anyone else. Does he not believe that if it were not for the Armed Forces of the United States in the Territory of Hawaii, the Communist movement in Hawaii would be able to take over those islands by revolution?

Mr. SMATHERS. I have just read the opinion of the man who organized the Communist Party in Hawaii. He has spent a great deal of time in Hawaii. As a matter of fact, he recently was there. We also have the opinion of a man by the name of English, who works for one agency of the Government, and returned from Hawaii. He also testified to that effect.

We find the proponents of statehood for Hawaii saying there is no doubt that the economic control and political control of the Communist-controlled ILWU is so strong that the moment it wishes to do so, it can bring that island to its knees.

Certainly when people who have lived in Hawaii all their lives testify to that effect, it is useless for me to repeat such statements. The actual fact is well known, and has been thoroughly testified to by many experts on this subject.

Mr. EASTLAND. It is charged that the move to obtain statehood for Hawaii is really an attempt to obtain two additional Republican Members of the United States Senate. The distinguished Senator from Florida has stated—and I think he is correct—that whoever those Senators might be, Harry Bridges would influence them. I should like to ask the

distinguished junior Senator from Florida what kind of Republicans they would be, if they came to the Senate under the influence of Harry Bridges.

Mr. SMATHERS. I am afraid to think what kind of Republicans they would be. Certainly they would not be similar to the able Republican who now serves in the capacity of majority leader of the Senate—a fine, able, staunch American. I do not believe that either of the Republican Senators from Hawaii would be that kind of a Republican.

If, as testified by experts in this field, any Senators to be elected from Hawaii would have to have the support of the ILWU, and would have to seek the support of Jack Hall, a convicted Communist, then, obviously, such Republican Senators from Hawaii would have to be influenced by the views of Jack Hall and the Communist Party. So that situation would be a very dangerous one.

The Senator from Mississippi and I are not the only ones who are of that opinion. Numerous experts have the same opinion—for instance, Judge Stainback, of the Supreme Court of Hawaii, who previously served as a judge of the United States district court and as attorney general of Hawaii, and was Governor of Hawaii for two terms. He has done more for the Territory of Hawaii than has almost any other person of whom we can think. On two previous occasions he testified that he favored statehood for Hawaii, but now he tells us in unmistakable language that at this time to confer statehood upon Hawaii would be to endanger the national security of the United States.

Some persons say that statement is meaningless because it is ridiculous; and it is said that we are merely talking about politics. But I point out that those witnesses have lived in Hawaii. I should like to know what Senator who sits on this floor thinks he knows more about the Territory of Hawaii than does the former Governor of that Territory, Mr. Stainback, who now is a distinguished member of the Supreme Court of the Territory of Hawaii. He is one of those who say that statehood for Hawaii would be dangerous.

In this connection, let me refer to page 156 of the report submitted by the Subversive Activities Commission of the Territory of Hawaii. Incidentally, I may say that the present attorney general of Hawaii admitted that he did not believe in statehood for Hawaii until he was appointed attorney general.

On page 156 of the commission's report, we find the statement that to confer statehood upon Hawaii would be to endanger the national security of the United States.

Mr. EASTLAND. That is a commission of the Legislature of the Territory of Hawaii, is it not?

Mr. SMATHERS. It is a commission appointed by the Territorial legislature, financed by the funds of the people of the Territory of Hawaii, when they were worried about the problem to such an extent that they appointed their own commission.

Mr. EASTLAND. They said we would be endangering the security of the United States.

Mr. SMATHERS. I should like to read it to the Senator from Mississippi, in order to get it into the RECORD.

Mr. EASTLAND. I intend to place it in the RECORD in a moment.

Mr. SMATHERS. I should like to read it. It has always seemed strange to me that this particular assertion by the committee has never been given any publicity. No one seems to want to pay much attention to it. It is there, in black and white.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. KNOWLAND. Everything that is in black and white is not necessarily so.

Mr. SMATHERS. I certainly agree with the Senator on that particular point.

Mr. EASTLAND. Mr. President, I would rather accept the judgment of a commission appointed by the legislature, which conducted extensive hearings on this question, and its report, than the judgment of the ordinary citizen.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. KNOWLAND. I should like to ask the distinguished Senator if he is familiar with the letter from the Attorney General of the United States to the committee, which appears on page 7 of the report of the Committee on Interior and Insular Affairs, reading in part as follows:

The facts known to me concerning communism in Hawaii do not indicate any reason to believe that communism is a greater menace in Hawaii at the present time than it was in 1950. As a matter of fact, the known members of the Communist Party in Hawaii appear to be fewer in number at present than they were in 1950. Undoubtedly, the recent conviction of the leaders of the Communist conspiracy in Hawaii has contributed to this decline in Communist Party membership. I believe it inevitable that this conviction will have a weakening effect on the strength of communism in Hawaii.

The fact that it has been necessary to prosecute the leaders of the Communist conspiracy in Hawaii is, in my opinion, no more of an indication of the strength of the party in that area than the convictions of the Communist leaders in New York, Pittsburgh, Seattle, and Los Angeles are indications of party control and dominance in those areas.

I may say to the distinguished Senator from Mississippi that, of course, he is amply justified in presenting his point of view. There are others who share his point of view. But, I say to him that I believe he is doing a great injustice to half a million good American citizens in the Territory of Hawaii, of all racial backgrounds, men who have loyally supported this country in World War I, World War II, and the Korean war. The Senator indicts a whole Territory.

Mr. EASTLAND. Mr. President, I have not indicted a whole people. I said that most of the residents of Hawaii were very fine people. I have quoted from the report of the Committee on Subversive Activities in Hawaii, the testimony of a former Governor of that Territory, the testimony of the man who organized the Communist Party of Hawaii, and the

testimony of a man who lives there now, and whose testimony is vouched for by the Attorney General of the United States, because he uses him as a witness in Government cases.

Whatever the Attorney General of the United States says certainly is not influential with me. He says that communism is on the wane. I hold in my hand a copy of a newspaper published by several of the leading people of the Territory to fight communism. This is the issue of January 15. The headline is, "Is Communism on the Wane in Hawaii? An Inventory Says 'No'."

Mr. President, I ask unanimous consent that the entire article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IS COMMUNISM ON THE WANE IN HAWAII?—AN INVENTORY SAYS "NO"

The expression "Communism is on the wane in Hawaii," is the wishful thinking of some residents, especially those who believe the best way to combat communism is to ignore it, and then it will quietly fade away. A candid, down-to-earth inventory of the situation disproves such wishful thinking.

A first of the year inventory of the known Communists and their activities indicates that all of them are still with us and all of them are at liberty to pursue their Red activities.

THE HAWAII SEVEN

The Hawaii Seven are the best known of the identified Communists. First indicted under the Smith Act in August 1951, they were finally brought to trial on November 5, 1952.

Following a trial of almost 8 months (longest trial in Hawaii's legal history) they were found guilty on all counts, by the unanimous verdict of a jury of 12 men. The guilty verdict was rendered on June 19 of last year, and now, 6 months later, all 7 are still at liberty on bail set at \$15,000 each.

NO JAIL FOR HALL

Jack Hall, ILWU regional director, has not as yet spent 1 minute in jail. He faces, with the others, a 5 year prison term, for being convicted of conspiring to teach and advocate the overthrow of our Government by force and violence.

Due to the rich coffers of the ILWU defense fund, thousands of dollars collected from the rank and file union members, bail for Hall was posted immediately, thus permitting him to remain at large. He has also been permitted to make a trip to the mainland, ostensibly on union business.

VERDICT APPEALED

As was expected, and as has occurred in all Smith Act cases, the verdict of the jury has been appealed, to the ninth circuit court in San Francisco. The date for final filing of the appeal by the defense was originally set for November 17.

This was first postponed, at the request of the defense, to December 17 and then a second delay was granted to January 17, 1954. As this article is written (January 10) what action, if any, will occur on this twice-delayed appeal case is unknown.

In any event, it is not expected that the Hawaii Seven will actually be put in prison for many months. Even if the ninth circuit court denies the appeal, the defense will no doubt resort to the final appeal to the Supreme Court in Washington.

COMMUNISTS AT LARGE

In other words, as 1954 gets under way, at least the whereabouts of seven identified Communists is known. They are at liberty in Honolulu, devoting their time as usual

to the promotion and advancement of communism in every way possible.

Charles K. Fujimoto is still functioning as the full-time secretary of the Communist Party of Hawaii. His wife, Eileen, is still at work in the ILWU offices. John E. Reincke is often seen, with his usual large armful of books and papers, in the vicinity of Bouslog and Symonds law offices, doing research as always.

FREE PRESS

And, even though convicted of conspiracy under the Smith Act, Koji Ariyoshi, editor and Jack Kimoto, employee, still continue to edit, publish, and distribute the weekly Communist newspaper, the Honolulu Record.

That Red tabloid issued a 24-page Christmas edition, containing paid ads by 292 business firms or organizations, plus 810 individuals, or a total of 1,102 paid advertisements.

This show of Communist strength in Hawaii is all the proof necessary to dispel the wishful-thinking idea that communism is on the wane in Hawaii.

RADIO MOSCOW

The chief spokesman for communism and against Americanism, Robert W. McElrath, is growing even bolder in his presentation of Communist propaganda.

On Monday evening, January 4, he presented, on transcription made by means of direct shortwave, a program broadcast in English from radio Moscow.

BRAZEN COMMUNISM

Such broadcasts by the "little Red schoolboy" offer the most positive proof that communism is not on the wane in Hawaii.

In the meantime, McElrath continues with his nightly propaganda, aimed at creating dissension among races and social, political, religious, and economic groups within our community; and always devising tricky and sneaky ways and means of casting disrespect on all properly constituted authority, including our laws, our courts and judges; disrespect for all American institutions.

THE VOTELESS CRITIC

Robert W. McElrath, in spite of his many years of residence in the Territory, has never even bothered to register or to vote in Hawaii. He, who received part of his training at the Communist school in San Francisco, and is therefore known as the "little Red schoolboy," is also properly called the "voteless critic of America."

All other identified Communists; all such Communist-fronts as the Civil Rights Congress; all fellow-travelers, stooges, and sympathizers, are, to the best available knowledge, still functioning in their usual traitorous manner, working for, aiding and abetting the cause of communism.

HENRY B. EPSTEIN

This identified Communist (he has never officially denied it) is the top leader of the United Public Workers Union, a group of some 2,000 members, mostly government or hospital workers.

One of Epstein's top assistants is another well identified Communist, Steve Murin.

LEARN MORE IN 1954

It is the sincere hope of IMUA that the good, loyal people of Hawaii will make and keep one New Year's resolution, and that is to learn more about communism; how it works; who its leaders are; its ultimate aims and purposes.

Remember, all that is necessary for the triumph of evil—the triumph of communism—is that good men do nothing.

Won't you resolve not to be among the ranks of good men who do nothing during 1954?

Mr. SMATHERS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BARRETT in the chair). Does the Senator from Mississippi yield to the Senator from Florida?

Mr. EASTLAND. I yield.

Mr. SMATHERS. Is it not a fact that the day after the 7 Communists to whom the Attorney General refers were convicted, which conviction was referred to by the Attorney General as weakening the Communist movement, 26,000 workers went on strike when there was no reason for it? There was no wage dispute and no hour dispute. They went on strike as a protest against what they claimed was a false conviction.

Mr. EASTLAND. Certainly.

Mr. SMATHERS. Does not that indicate a strengthening rather than a weakening of communism in Hawaii?

Mr. EASTLAND. How could the Communist Party be weaker in Hawaii? Jack Hall is still there. Every Communist who has exercised power is still there. The ILWU is still there, with all its power. The Public Workers Union is still there, with all its power. What has happened to weaken it?

Mr. SMATHERS. Is it not a fact that we attempted to get the United States attorney who now serves in the Territory of Hawaii, and who lives in Honolulu, to come here and testify, because it was reported that he knew a great deal about the Communist movement, and that the Attorney General of the United States would not permit him to come, but instead wrote this mealy-mouthed letter which says nothing, and in which he does not even represent himself as having any kind of special information?

Mr. EASTLAND. The Attorney General was fishing for two additional Republican Senators.

Mr. SMATHERS. Is the Senator willing to agree that on certain occasions the Attorney General of the United States has evidenced some desire to play politics?

Mr. EASTLAND. That has been true on a number of occasions. I think this is an example of it—especially when he refuses to permit the United States attorney to come here and testify on the question of communism. He had something to hide. Why was he afraid to let him come? Instead of that he wrote a mealy-mouthed political letter.

Mr. SMATHERS. Mr. President, will the Senator further yield?

Mr. EASTLAND. I yield.

Mr. SMATHERS. A moment ago I was hunting for the statement made by the Territorial Anti-Subversive Commission of the Territory, whose report was prepared under the direction of the present attorney general of the Territory of Hawaii. In order that it may appear accurately in the RECORD, I should like to read from it. The concluding paragraph is brief. It says:

In spite of the strong evidence of Communist control brought to light by the Smith Act trial and the hearings and the public statements, the ILWU Communist leadership continues to exert control over the labor element of the Territory in the field of shipping and sugar, and pineapple industries as well. There is no doubt that if this control were exercised contrary to the best interests of this country, it could not only bring about economic chaos. There is no doubt it could

not only bring about economic chaos but could adversely affect the war potential and the national security of the United States. It will endanger the national security of the United States in the event of war between this country and the Soviet Union.

I do not know that there is any danger of our becoming involved in a war with anyone else.

That is what the commission appointed by the Territorial Government of Hawaii discovered. The report was filed on March 3, 1953, just a year ago, so it is not an ancient report.

Mr. KNOWLAND. Mr. President, will the Senator from Mississippi yield to me at this point?

Mr. EASTLAND. I yield, provided I do not lose the floor.

Mr. KNOWLAND. Certainly. No one will seek to take advantage of the Senator in that respect.

Mr. EASTLAND. I thank the Senator.

Mr. KNOWLAND. Would not the same thing that is said in that report apply to any Communist-dominated union, whether it be in the Territory of Hawaii, in my State of California, or in any of the other 47 States of the Union, east, west, north, or south, where there was Communist domination, where the workers were in a crucial industry, such as the electrical industry, the mining and smelting industry, or whatever it might be? In the event of war they could do great damage to the country. Does not that support the argument that some way must be found to enable the loyal, decent element in those unions, the loyal members who have become captives, to free themselves from Communist leadership, whether it be on the Islands or within the continental limits of the United States?

Mr. SMATHERS. Mr. President, will the Senator from Mississippi yield to me to answer that question?

Mr. EASTLAND. I yield.

Mr. SMATHERS. The Senator from California is eminently correct. As a matter of fact, as the able Senator well knows, in the Territory of Hawaii there is only one predominant union, namely, the ILWU. The CIO had to kick it out because of its Communist control. The CIO said, "We will have nothing to do with this union." Yet that is the union which controls the economic and political life of the Territory of Hawaii. The ILWU does not control the economic or political life of any State in the Union, but because it controls the economic and political life of the Territory of Hawaii, the Antisubversive Commission of the Territory of Hawaii said, "It will endanger the national security of the United States in the event of war between this country and the Soviet Union."

It is the only union with real power, and it controls everything in the Territory.

Mr. EASTLAND. I shall show the distinguished Senator from California and other Senators a very remarkable and dangerous condition which exists.

Mr. President, the city of Honolulu is the business headquarters of the islands. It contains about half the population of the islands. Its mayor is an old man,

in his eighties. He spends a good deal of his time in the hospital. He had an administrative assistant, W. K. Bassett, who was the de facto mayor, and who actually ran the government of the city of Honolulu.

I hold in my hand a book entitled "Isms," published in 1937 by the American Legion. The American Legion, certainly, cannot be charged with playing politics. In 1937, this man, W. K. Bassett, was editor of the Pacific Weekly. The American Legion, as a part of its Americanism program, published a list of the Communist press in the United States. It lists the Pacific Weekly as follows:

Pacific Weekly: A western journal of fact and opinion, published every month at Carmel, Calif., Box 1300. W. K. Bassett, editor and publisher. Lincoln Steffens, associate editor. Ella Winters, literary editor.

Lincoln Steffens and his wife, Ella Winters, were noted Communists. So we have the de facto mayor of Honolulu shown in 1937 to be the editor and publisher of a Communist paper. So says the American Legion.

THE HAWAII-ALASKA STATEHOOD QUESTION

Mr. MALONE. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. MALONE. Mr. President, I would say to the distinguished Senator that I picked up this morning's Washington Post and read Walter Lippmann's article, which I often do, but with which I rarely find myself in agreement.

To my great surprise, apparently this morning Mr. Lippmann gave serious thought to the question before us. In part, he says:

It is not an agreeable task to argue at this late date that before statehood is granted to Hawaii and Alaska, Congress and the country should reexamine the issues very carefully. High hopes and great expectations have been raised in Hawaii. Yet, we must remember that the granting of statehood is an irrevocable act. Once done, it cannot be undone. Statehood cannot be repealed and a State cannot secede. Congress is, therefore, faced now with the kind of decision which must not be made except with fullest deliberation.

Now the admission of outlying Territories to statehood would mean a radical change in the structure of Union and of our external relations. If such a change is to be made, it should be done when the people of this country are listening and have their eyes open. They are not listening now, and in the uproar of the McCarthy crisis, which is really a grave constitutional crisis, they could not hear it if they wanted to listen.

I knew Walter Lippman would have to insert something in his article with which I could not agree.

As I read the RECORD, the crucial question was raised in the House of Representatives last July by JOSEPH R. FARRINGTON, the able and highly respected Delegate from Hawaii.

Mr. President, I join in that estimate of JOE FARRINGTON.

Mr. EASTLAND. He is a very fine man.

Mr. MALONE. I continue to read from Mr. Lippmann's column:

In an eloquent and moving peroration he said: "Either we become a State or we enter permanently into a colonial status. This is what continuation of the Territorial

status in its present or modified form means, and nothing else. The issue clearly is one of statehood or colonialism."

I might say that that statement in the RECORD was brought about by my introduction of a bill to grant the people of Hawaii the right to elect their own Governor and to appoint their judges.

Proposals that we be permitted—

Mr. Lippmann is still quoting Mr. FARRINGTON—

"Proposals that we be permitted to elect our own Governor, that we be given a larger measure of local self-government and possibly an increase in our representation in the National Government, are nothing but attempts to disguise an unwillingness to grant the people of Hawaii their full rights as American citizens. They are colonialism, and so far as I am concerned, I want nothing of them."

Mr. FARRINGTON's thesis is that no people living under the American flag have or can have their full rights unless they are granted statehood. Anything but statehood is, Mr. FARRINGTON said in the same speech, to assign a large group of American citizens permanently to an inferior position.

In putting it that way he has posed the fundamental question which has never, I believe, been explained properly to our people or adequately debated in Congress. Is it true that under American principles there are two and only two choices. That of inferiority in a condition of colonialism and that of equality as a State of the Union?

If that is the dilemma which we are acknowledging by voting statehood for Hawaii and Alaska, what about the other outlying Territories under the American flag? What do we have to offer as a goal toward which they can work, for which to develop their powers, to which to educate themselves? What do we propose to the people of Guam, the Virgin Islands, perhaps of our trusteeships in the Marianas, the Marshalls, the Carolines? Are they to be told that unless they achieve statehood, which they have no hope of achieving, they must remain permanently in an inferior position?

I might interpose at that point to say I am sure of that, if we once start granting offshore statehood that it is only a start toward other noncontiguous States.

Mr. EASTLAND. Of course we would get them in time.

Mr. MALONE. I continue to read from Mr. Lippmann's column:

Is Congress going to declare that there is no way to have full freedom and a lasting association with the United States except as a State?

Before we impale ourselves on the horns of this dilemma—colonialism or statehood—let us reexamine the question.

Much has been made of the promises of statehood in the party platforms. But anyone who takes the trouble to read what the party platforms have said about statehood for Hawaii, Alaska, and Puerto Rico in the past 20 years will come away confirmed in the belief that neither party has ever seriously put its mind on the question.

The platform on which President Eisenhower ran in 1952 advocated "immediate statehood for Hawaii; statehood for Alaska under an equitable enabling act; eventual statehood for Puerto Rico."

As a measure of how little homework the authors of the platform had done—

That I must acknowledge to the distinguished Democratic Senators, with some reluctance—

As a measure of how little homework the authors of the platform had done, we may

note that in the previous March the people of Puerto Rico had ratified by a popular vote a new constitution, making Puerto Rico not a State but a free commonwealth associated with the United States. This new constitution had become law by President Truman's signature before the Republican convention met and it had become effective 2 weeks after the Republican Party had declared in its platform that Puerto Rico should look forward to "eventual statehood."

These campaign promises are really something. Twenty years before President Truman signed the resolution which made Puerto Rico not a State but a commonwealth, the Democrats were saying in 1932 what the Republicans were saying in 1952—that they were in favor of "ultimate statehood for Puerto Rico."

In 1940 the Democrats were in favor of statehood for Alaska, Hawaii, and Puerto Rico; the Republicans were saying, on the other hand, that statehood was the logical aspiration for Puerto Rico, while to Hawaii they were saying no more than that it was entitled to the fullest measure of home rule. In those days they thought Puerto Rico a far better candidate for statehood than Hawaii. Today nobody in Puerto Rico or in the United States is thinking of granting statehood to Puerto Rico.

The point of it all is that at one time or another, both parties—the Republicans as late as the Eisenhower campaign of 1952—have been in favor of statehood not only for Hawaii and Alaska but also for Puerto Rico. Yet in fact we have seen the working out of quite different relationship with Puerto Rico. It is, therefore, not true that the only choices are permanent inferiority in a colonial condition or statehood. There is no such ugly dilemma. The Congress can, as Senators FULBRIGHT, MONRONEY, and others are now proposing, work out a constitutional status for Hawaii and Alaska which avoids the Farrington dilemma of statehood versus colonialism.

Mr. SMATHERS. Mr. President, will the Senator from Mississippi yield?

Mr. EASTLAND. I yield.

Mr. SMATHERS. There is no doubt that the first bill introduced with reference to the commonwealth status of the Territory of Hawaii was that which was introduced by the junior Senator from Nevada. However, the Senator knows that many other Senators want to join with him and are joining with him in the formulation of his commonwealth idea.

Mr. MALONE. I thank the Senator.

Mr. SMATHERS. While I am on my feet, may I ask if the Senator recalls Mr. Lippmann ever having been called an archconservative?

Mr. MALONE. I have been reading his column for sometime, because I always feel that I have to read something to balance the day, but I certainly would not call him an archconservative.

Mr. SMATHERS. Has the Senator ever heard him called a southern bigot?

Mr. MALONE. I have heard him called a great many things, but I have not heard him called any such name as that, but calling him a liberal might be a master understatement.

Mr. SMATHERS. Is he not one of those generally regarded as being somewhat on the liberal side of the fence? I think everyone would agree that he is a most intelligent writer.

Mr. MALONE. I have regarded a great many liberals as persons who are liberal with other people's money. I

think he could be called one of the great liberals of the country in that category.

Mr. President, if the Senator from Mississippi will further yield I should like to finish this quotation.

Mr. EASTLAND. I shall be glad to yield for that purpose.

Mr. MALONE. I read:

Such a constructive solution cannot, of course, be improvised quickly—especially amidst the turmoil of this Congress.

I have not noticed any particular turmoil—

Nor can it be made acceptable without careful and thorough negotiation. But this is what should be attempted if and when—as now seems probable—the combined bill becomes stalled.

This is the kind of problem to which the President's favorite device of a mixed commission is well suited.

Mr. President, if we should have another commission, we could be sure these Territories would not become States for a couple of years at the very earliest.

For the problem of statehood for outlying Territories is not in any but the most trivial sense a partisan or a factional or a regional issue within the United States. It is absurd to think of Hawaii as providing 2 Republican Senators permanently and Alaska 2 Democratic Senators, and to line up on this grave matter accordingly. Who is the prophet who knows how they will be voting 5 years hence?

The formation of a State which lies 2,000 miles off the coast of the United States is an unprecedented and radical change in the structure of the Union. No one questions, and no one can question, the right of the people of Hawaii and of Alaska to equality with all American citizens under the American flag. What must be questioned is whether their interests and those of the people of the continent are so nearly identical that they can be fused in the same legislative body.

THE BUTLER-MALONE SENATE BILLS

I should like to ask the distinguished Senator from Mississippi if he agrees with the general thesis that now is the time to examine the status of the Territories. So long as the question has been posed and statehood has been said to be the only answer as to equality, is not now the time to do just what Mr. Walter Lippmann has indicated—hold hearings on the two bills, one introduced by the junior Senator from Nevada with reference to Hawaii, and one introduced by the Senator from Nebraska [Mr. BUTLER], with reference to Alaska, both of which bills provide for the people electing their own governors and for the formulation of a constitution in conformity with the Constitution of the United States?

Mr. EASTLAND. What the Senator says is exactly correct.

Mr. President, the distinguished majority leader a few moments ago read a political letter from the Attorney General of the United States in which the Attorney General said that communism was on the wane in Hawaii. I think Governor Stainback is a much better witness as to that than is the Attorney General of the United States. Governor Stainback is not trying to elect to this body two Senators of any political persuasion. He is not trying to pick up

a Member of the House representing any political party.

I now read from Governor Stainback's testimony:

Senator SMATHERS. I would ask the Governor, Do you not think that the ILWU influence is stronger today, in 1953, than it was in 1949?

Governor STAINBACK. I do. At least it appears so to me, unquestionably, from the transactions that have been taking place over the last year and particularly—

The CHAIRMAN. What do you mean "stronger control"? Do you mean the rank and file of the membership of the ILWU are more subservient to their so-called Communist leadership now than they were before?

Governor STAINBACK. I think they have always been completely subservient to the Communist leadership, but I think they are more boldly exercising political pressure when the mayor has his hand out to play for these meetings of protests and—

Think of that, Mr. President. Suppose that in an American city a man were convicted of a crime synonymous with treason, and the mayor of that city ordered bands out to play at meetings of that kind. That was a disgraceful occurrence, and it shows the power of communism in the Territory of Hawaii.

Mr. SMATHERS. Mr. President, will the Senator from Mississippi yield at that point?

Mr. EASTLAND. I yield.

Mr. SMATHERS. Is it not a fact that they also turned out the city-sponsored band to meet Harry Bridges when he was arriving in the city of Honolulu from the west coast of the United States?

Mr. EASTLAND. Mr. President, I am not familiar with that, but I am familiar with the fact that the administrative assistant of the mayor met Mr. Bridges at the airport. I hold in my hand the Honolulu Star-Bulletin of November 13, 1952, from which I read:

BASSETT GREETS HARRY BRIDGES

W. K. Bassett, the mayor's administrative assistant, greeted ILWU President Harry Bridges on his arrival at Honolulu International Airport Tuesday—but it wasn't an official welcome, Mr. Bassett says.

However, observers said he used his official title to get through the gate to the plane, and was carrying leis.

They said Mr. Bassett presented the ILWU head with a lei, then escorted him to where Jack W. Hall, ILWU regional director, and defendant in the Smith Act conspiracy trial, stood.

Mr. Bassett said yesterday he wasn't extending official greetings on Mayor Wilson's behalf.

"I just happened to be there," he said, adding that he has known Mr. Bridges for 30 years.

But there he was, placing flowers around Bridges' neck, and using his official title to get him out of the airport and to take him to Jack Hall, the Communist leader in the islands.

Mr. President, some time ago I discussed the control of the Democratic Party by the Communist movement in Hawaii. I shall now return to that aspect of my speech. What the Communists have succeeded in doing to the Democratic Party they may also succeed in doing to the Republican Party in Hawaii by a similar method of concentration. It happened that the Democratic Party was the first target, and it fell un-

der the Red attack. Our Republican friends should have no assurance that their own party organization in Hawaii may not likewise fall by reason of Red infiltration.

Mr. President, the distinguished Senator from Florida [Mr. SMATHERS] has quoted the testimony of a Republican Territorial senator to the effect that the Republican Party has had to have practical political relations with the Communists, as has the Democratic Party.

The appendix of the committee report contains a vast amount of documentary material on tactics and methods of the Communist movement, which should be made available to the people of Hawaii and to the Congress of the United States.

Unfortunately, the Territorial Legislature has not seen fit to appropriate the necessary funds for publication of the excellent report made by its own committee on Communist infiltration in the Hawaiian Islands. The Territorial committee in Hawaii, in the appendix to its report, cites the 1950 annual report of the Committee on Un-American Activities of the United States House of Representatives. One of the pertinent statements in the House committee report cited by the Territorial committee reads as follows:

Upon organizing the workers of the waterfront, sugar and pineapple industries, Jack Hall surrounded himself with individuals identified before the committee as members of the Communist Party. These Communists were placed by Jack Hall in the most strategic positions within the union, thereby assuring the control of the union by members of the Communist Party.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield, provided I do not lose my right to the floor, and that the remarks of the Senator from South Dakota will appear in the RECORD following the conclusion of my remarks.

Mr. MUNDT. Mr. President, I desire to have it completely understood that my remarks will appear following the conclusion of the speech being made by the Senator from Mississippi, and that he will not lose his right to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

[Mr. MUNDT's remarks appear in the RECORD following Mr. EASTLAND's speech.]

Mr. EASTLAND. Mr. President, I ask unanimous consent that when the distinguished Senator from South Dakota concludes, the junior Senator from Nevada [Mr. MALONE] be permitted to speak, without the Senator from Mississippi losing the floor, and that I then be permitted to conclude my remarks.

The PRESIDING OFFICER (Mr. DWORSHAK in the chair). Is there objection to the request of the Senator from Mississippi?

Mr. CORDON. Mr. President, am I to understand that the Senator is preparing to parcel out the time for the afternoon?

Mr. EASTLAND. No, I am not. I was simply attempting to accommodate the

junior Senator from Nevada, who desired to make a short speech. He said he had an appointment, and I am glad to cooperate with him.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Mississippi?

Mr. CORDON. Mr. President, reserving the right to object, I should like to ask the Senator from Nevada how long a time his address will take.

Mr. MALONE. It will take about 15 minutes.

Mr. CORDON. I have no objection.

The PRESIDING OFFICER. The Chair hears no objection to the request of the Senator from Mississippi, and it is so ordered.

Mr. EASTLAND. Mr. President, I ask unanimous consent that the remarks of the Senator from Nevada be placed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

[Mr. MALONE's remarks appear in the RECORD following those of Mr. EASTLAND and Mr. MUNDT.]

Mr. EASTLAND. Mr. President, as I have stated, the Territorial Legislature of Hawaii had not seen fit to appropriate the necessary funds for the excellent report presented by its own committee. The Territorial committee cites in the appendix of its report the 1950 annual report of the Committee on Un-American Activities of the United States House of Representatives. One of the pertinent statements in the committee report cited by the Territorial committee reads as follows:

Upon organizing the workers in the waterfront sugar and pineapple industries Jack Hall surrounded himself with individuals identified before the committee as being members of the Communist Party. These Communists were placed by Hall in the most strategic positions within the union, thereby assuring the control of the union by members of the Communist Party.

When he assured control of the union by Communists, he assured control of the economic life of Hawaii by the Communists, and he assured the control and direction of the tremendous political power exercised by that union through the Communists.

As I said earlier, the question is not as to the number of Communists, but is as to the economic and political power which they exercise in the islands. That is the test here, which makes it very dangerous to admit the Hawaiian Islands to statehood.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield to the distinguished Senator from New Mexico.

Mr. ANDERSON. I may say to the Senator from Mississippi that I was called from the Chamber a moment ago while there was a discussion in progress as to the status of Puerto Rico, Hawaii, Alaska, and other Territories.

While I do not desire to speak for any length of time, I wish to say there are those of us who believe the situation with reference to Hawaii and Alaska is quite different from the situation with reference to Puerto Rico. This is not quite germane to what the able Senator from

Mississippi has been saying about communism, but I wish to get my statement into the RECORD at this point, if I may.

The Senator from Nevada [Mr. MALONE], who spoke a moment ago, quoted sections of the very interesting article by Walter Lippmann, in which he referred to the dilemma which existed between colonialism and statehood, and pointed to the fact that the Republican Party platforms as late as 1952 have favored statehood not only for Hawaii and Alaska, but also for Puerto Rico. I believe Mr. Lippmann overlooked the fact that with reference to Puerto Rico the Democratic platform had been altered from the earlier platforms, and I believe the Republican point of view had also very substantially changed.

The Democratic platform of 1948 referred to the fact that the party urged immediate statehood for Hawaii and Alaska, and then said:

Immediate determination by the people of Puerto Rico as to their form of government and their ultimate status with reference to the United States, and the maximum degree of local self government for the Virgin Islands, Guam, and Samoa.

As the able Senator from Oregon [Mr. CORDON] and the able Senator from Florida [Mr. SMATHERS], both of whom are present, know very well, Congress proceeded to deal with the status of Puerto Rico on a quite different basis from that which is proposed for Hawaii and Alaska.

I do not believe questions of this kind can be so tied together as to say that because we may give one type of government to Alaska and Hawaii, we must necessarily give the same type to Puerto Rico, Samoa, and other Territories.

Prior to the Spanish-American War, all the lands which formerly had belonged to foreign governments and which had been taken into the Union had been ceded to the United States by treaties which provided that the citizens of those areas should have equal privileges with all other citizens, and that, as soon as possible, Territories organized within those areas would be brought into the Union.

For example, in the case of the Louisiana Purchase, it happened that thereafter anyone living in that area had equal status with all other citizens, and likewise the citizens of areas included in the Gadsden Purchase had the same rights as all other citizens. But after the Spanish-American War there was a sharp change in the treatment of Territories.

The Treaty of Paris, which was signed in December 1898, contained provisions which were utterly different from those which had theretofore been observed. There was a provision in that instrument that the inhabitants of the islands which had been ceded by Spain would receive not quite the same privileges as those enjoyed by citizens of the United States, and with respect to the Philippines and Puerto Rico, there was no promise that they would eventually receive statehood.

I think it is necessary to make that distinction between incorporated and unincorporated Territories. It is not in any way synonymous with the situation

when a village or a town is incorporated, as compared with unincorporated towns and villages. The old rule about incorporation of Territories related to incorporation into the United States; and Alaska and Hawaii are incorporated Territories which have been brought into the United States looking toward eventual statehood.

Mr. EASTLAND. What the distinguished Senator from New Mexico says is true, but I do not believe there is any right to statehood. In my opinion there is no such thing as a right to statehood for any Territory, or any group of islands anywhere in the world. I think the sole test should be: Will admission to statehood benefit the United States.

I know the distinguished Senator from New Mexico is very sincere in his support of statehood for Alaska. He has done excellent work for Alaskan statehood. He has prevented the Republican Party from crucifying Alaska. He has presented his case in the Senate during the past few days. But I have heard no reason advanced which to my mind would justify the admission of either Alaska or Hawaii to statehood.

Mr. ANDERSON. Mr. President, will the Senator further yield?

Mr. EASTLAND. I yield.

Mr. ANDERSON. I am happy to say to the Senator from Mississippi that I did not mean to say, and I do not believe I have ever said, that any Territory has a right to statehood.

Mr. EASTLAND. Oh, no; I was giving the Senator from New Mexico my own views on the question.

Mr. ANDERSON. I do not say that any Territory has a right to statehood. What I am trying to say—and it is a little difficult for a person who is not a lawyer to try to bring out this point—that there is a difference between incorporated Territories and unincorporated Territories. I wanted to make that point for the RECORD now, so that if statehood is granted to Alaska and Hawaii, as I hope will be the case, no one will think that we have committed ourselves to statehood for Puerto Rico, Samoa, the Virgin Islands, Guam, or any other Territory, because the Supreme Court of the United States, in a long series of insular cases, has held that unincorporated Territories have a status largely outside the Constitution, and are not a part of the United States. That is what I am trying to say.

I wish, if possible, to keep the discussion of statehood for Alaska and Hawaii separate from any discussion with reference to Puerto Rico, Samoa, the Virgin Islands, or any mandated Territory with which we may be dealing, because I think the fact that Alaska and Hawaii became incorporated Territories brought them more closely inside the framework of what we loosely call the United States than areas which are unincorporated and are outside the United States.

Mr. EASTLAND. I do not think that can be done, because if, at some time, the Republicans should think that they needed two Senators from Puerto Rico and could pick up two Senators there, Congress again would be faced with the same situation. As I understand, the

Republican platform has advocated the admission of Puerto Rico to statehood.

Mr. ANDERSON. If the Senator from Mississippi will indulge me for a moment, the Republican platform of 1952 said:

We favor immediate statehood for Hawaii.
We favor statehood for Alaska under an equitable enabling act.

We favor eventual statehood for Puerto Rico.

Mr. EASTLAND. Of course, the Republican Party then would be the judge of what was an equitable enabling act for Alaska.

Mr. ANDERSON. The Senate has finally said it is willing to take a statehood bill for Alaska as worked out by the Senate Committee on Interior and Insular Affairs and attach it to the Hawaiian statehood bill.

Mr. EASTLAND. Over Republican opposition.

Mr. ANDERSON. I hope by that action they have indicated it is an equitable bill. I am only trying to say that, so far as I am concerned, I intend to try to judge the Alaskan and Hawaiian cases on the situation as it now obtains in Alaska and Hawaii.

I am willing to approach the Puerto Rican situation, if ever it comes up, on a wholly different basis. I voted in the Senate Committee on Interior and Insular Affairs for the bill which gave Puerto Ricans an opportunity to elect a governor, but did not give them an opportunity to have statehood. I intend to hold to that position so long as I am in the Senate, and the facts before me remain the same. I think Puerto Rico can be treated on a wholly different basis, because it has never been incorporated with the rest of the United States. It has a wholly different status from that of Alaska and Hawaii and, so far as I am concerned, should receive wholly different treatment.

Mr. EASTLAND. I wish to make myself very clear. I voted for the amendment offered by the distinguished Senator from New Mexico. I think the Senator did excellent work. But our reasons were as far apart as the poles.

Mr. ANDERSON. I may say to the Senator from Mississippi that many persons have asked me if I did not recognize that there were Senators supporting my motion who were opposed to statehood for Alaska; also Senators who supported it who might be opposed to statehood for Hawaii, and also Senators supporting the amendment who might be opposed to statehood for both Territories. I made no attempt to conceal the fact that there were Senators supporting the amendment who were opposed to statehood for both Territories. I did as everyone else does. I picked up support where I could find it. I recall a little verse from Kipling, who said:

When 'Omer smote 'is bloomin' lyre,
He'd 'eard men sing by land an' sea;
An' what he thought 'e might require,
'E went an' took—the same as me.

What I thought I would require, I gladly took.

Mr. EASTLAND. That verse applies exactly to the political conditions in Hawaii. The politicians there have been picking up votes wherever they could

find them, and they have been going to the well of communism to get them.

I want the RECORD to show that I voted for the amendment offered by the distinguished Senator from New Mexico, because I thought it might simplify the killing of both proposals for statehood.

Mr. SMATHERS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BUTLER of Maryland in the chair). Does the Senator from Mississippi yield to the Senator from Florida?

Mr. EASTLAND. I yield.

Mr. SMATHERS. I should like to say to the able Senator from New Mexico that he need not apologize for the fact that he has no law degree. He is the ablest, sharpest lawyer who did not have a law degree I have ever seen in my experience in public life.

Mr. EASTLAND. The Senator is correct, and he is the sharpest debater on this floor.

Mr. SMATHERS. I may say that while the Senator from New Mexico is technically on tenable ground in indulging in this legal legerdemain and in debating what is the difference between an incorporated Territory and an unincorporated Territory, I am sure he will agree that the people who walk the streets of San Juan, Puerto Rico, and who at one time wanted statehood—and there are 90,000 voters who today want statehood—and the people of Puerto Rico who are of Spanish ancestry, and the people of Japanese ancestry who walk the streets of Honolulu, do not recognize the difference between being incorporated and unincorporated. Neither will they see the justice of taking one Territory in as a State on the basis that it is incorporated, and keeping the other Territory out on the basis that it is unincorporated, because the people in both places believe they should be treated in the same way by the United States of America.

Mr. EASTLAND. Does the distinguished Senator believe that whether the Territory proposed to be added to the Union was incorporated or not, would mean anything if the Republicans needed to pick up two votes?

Mr. SMATHERS. I absolutely do not. As a matter of fact, the Republicans could take in such a Territory any time they wished to and it was desirable for them to do it. When we look back to 1898 we find there was no discussion of incorporated or unincorporated Territories. That has been a species of legal magic which has come into play since we took in Puerto Rico, in about 1900, as a reparation resulting from the war with Spain. The facts of history show that we did not take in the Territory of Hawaii because we wanted it to become a State, but only because Admiral Dewey, who was fighting the Spanish in the Philippine Islands, needed the Hawaiian Islands as a base for the Navy. As a matter of fact, we once tried to get the Territory of Hawaii to join with us, but they would not. They had a King Kamehameha VI who refused the first offer that Hawaii join us. We sent some representatives to Hawaii, and finally convinced the King that it was a good idea.

If one reads the debate which transpired at the time we took in the Territory of Hawaii, he will find that the question was pretty well discussed by Mr. Hitt, who was then chairman of the Foreign Affairs Committee of the House of Representatives. If the Senator will yield, I should like to read parts of the debate, because I think it is somewhat revealing.

Mr. EASTLAND. I yield, provided it is understood I do not lose the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SMATHERS. I read from the debate:

Mr. RIDGELY. My question is this: The chairman of the Committee on Foreign Affairs stated what is a very important matter in regard to the treaty existing between the Sandwich Islands and Japan. Under that treaty the Japanese Government claimed the right of citizenship for Japanese subjects who are now on the island, or who may hereafter go there under this treaty. Now, my question is, If we accept the islands under the present bill, will we have to accept those Japanese subjects under that treaty?

Mr. HITT. Not at all; not as citizens.

Mr. RIDGELY. And involve ourselves in that affair.

Mr. HITT. This action extinguishing the sovereignty of Hawaii and incorporating the islands in the United States would abrogate all her treaties.

A close reading of the debate which occurred in 1898 will reveal that the word "incorporate" was used in the ordinary layman's understanding, that the Territory was to be taken in as any other possession would be. It was later that the Supreme Court, in a tax case, dreamed up the theory about their being a technical difference in meaning between "incorporated" and "unincorporated" territory. Those participating in the debate at the time spoke of incorporating it just as they would have spoken of incorporating Louisiana.

I read further:

The only part that would survive would be claims arising or accruing prior to this time under former treaties. All treaties fall with the extinction of the existence of a nation. Their foreign affairs pass under our control.

Mr. CLARDY. The gentleman has very interestingly and very instructively explained various features of this question, but there is one point that I should like to know still further about, and that is this: Suppose these islands are received into the United States under this resolution, what does this administration intend, or what do the people of the United States intend, to do with them? Will they be admitted as a State? It seems to me that is a very important question.

Mr. HITT. I am not a mindreader, and the Almighty alone can answer what is in men's minds.

Mr. CLARDY. The gentleman ought to have some idea of what the Government intends to do.

I remind my colleagues that this was the debate before we took the Hawaiian Islands in.

Mr. HITT. You will have to find that out from other sources. By the terms of this resolution all such questions will be determined by Congress, and Congress will and should do what the American people want done. The President will have no power over the subject.

That seems to me to substantiate what the able Senator from Mississippi has

said, that whenever the majority thinks it is time to take in new territory, for one reason or another, whether to pick up two additional Senators or for other reasons, the majority can do it.

Mr. EASTLAND. Two Republican Senators the majority cannot get the American people to elect.

Mr. SMATHERS. I read further from the debate in the House of Representatives:

Mr. RIDGELY. Do the Japanese in Hawaii vote?

Mr. HITT. They do not vote now, and the disposition and mode of government of those islands and everything connected with them is, under the terms of the joint resolution, left in the control of Congress.

Mr. FLEMING. I should like to ask this question, which I think is a legitimate one: What is the personal opinion of the gentleman himself as to the status that the Hawaiian Islands ought to occupy in future developments of the country? I should like to know if the gentleman has any information on the subject.

Mr. HITT. It is nothing but the private opinion of one individual, and is of little value.

Mr. FLEMING. It would carry a great deal of weight, and it is a question that is troubling some of us as to the development that is to come in the future.

Mr. HITT. It is a development that relates to the future. Chief Justice Taney in the Dred Scott decision, speaking of the constitutionality of the acquisition of territory, said that there was no power granted in the Constitution of the United States to acquire any territory in any way; that there was only a grant to Congress to admit States.

That is all it does. There is no provision as to whether it shall be incorporated or unincorporated territory.

A State is a civil political organization of people occupying territory or land previously possessed by the United States. That has been the fact as to all States admitted except Texas, which was acquired as a Territory or possession, and admitted as a State at the same time.

Judge Taney added that in the construction of the power to admit States it authorizes the acquisition of territory not fit for admission at the time, and the power to acquire territory for that purpose rests upon the same discretion, and is a question for the political department of the Government.

In truth, it is impossible to imagine a sovereign State without the power of increasing its boundaries. It enters into the very idea of sovereignty, and Chief Justice Fuller said in the Mormon Church case that the power to make acquisitions of territory by consent, by treaty, or by cession in an incident of national sovereignty. Chief Justice Taney said in his supplemental remark, after his comments on the restricted grant in the Constitution to admit States, that territory that was acquired was always acquired with a theoretical view to ultimately being a State or a part of a State, a condition of statehood in some form at some time.

The proponents of statehood suggest that when we acquired the islands there was some reason to believe that they had a right to become a State. I think that is not correct. That question is always a matter for the Congress to determine, and it should be determined on the basis of what is good for the United States of America.

Mr. EASTLAND. In what way has there been given to Hawaii a right to statehood?

Mr. SMATHERS. No right has been given to it. There has been no legal change in status.

Mr. EASTLAND. Is there such a thing as a right to statehood?

Mr. SMATHERS. There is no legal right. The proponents of statehood argue that there is a moral obligation, but no Member of the Congress has a moral obligation to vote for statehood if he believes that to take in a Territory would endanger the security of the United States. That is what the able Senator has been arguing about this afternoon.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield, provided I do not lose the floor.

Mr. ANDERSON. I am not trying to say that statehood is a right. I once tried to say there was not such a right. However, I do point out that the areas which were brought into the Union prior to the Spanish-American War were brought in under treaties which guaranteed to the people of those areas the same rights possessed by other citizens within the United States. The Treaty of Paris of December 1898 did not contain those assurances. That is the point I think we need to observe. One can read the treaty which was entered into for the Louisiana Purchase and other treaties, up to and including the Gadsden Purchase, and he will find that pattern of the promise of the right of citizenship. Then there was a sharp break at the end of the Spanish-American War, when no promise was made of the right of citizenship.

At that time it was explained that Spanish law was so different from the law prevailing in the United States that such a promise was undesirable. However, that is a little difficult for me to understand, because in our State we have a great deal of Spanish law.

An authority on that subject, by the name of Willoughby, published in 1910 a book entitled "The Constitutional Law of the United States." Of course, 1910 was a long time ago; and taxation theories which existed at that time have nothing to do with recent theories of taxation. I read from page 407 of that book.

If it be that a Territory is merely appurtenant to but not "incorporated" into the United States, Congress in its legislation regarding it is bound by but few of the limitations which apply in the case of incorporated territories.

I do not say that is binding in any way upon Congress. I fully agree with the senior Senator from Mississippi that there is no right to statehood. But in my opinion the situation in the case of incorporated Territories is different from that in the case of unincorporated Territories.

Mr. SMATHERS. Mr. President, will the Senator from Mississippi yield to me at this time, for a question?

The PRESIDING OFFICER (Mr. WELKER in the chair). Does the Senator from Mississippi yield to the Senator from Florida?

Mr. EASTLAND. I yield, provided that in yielding I do not lose the floor.

Mr. SMATHERS. In the debate to which I referred a moment ago, Mr. Hitt,

the chairman of the Foreign Affairs Committee, in discussing the admission of Hawaii as a State, raised a point which, when raised here some 56 years later, was rather laughed at by various persons. However, in discussing that point he said:

When we admitted those vast stretches of ice and rock in Alaska that border upon the Arctic Ocean, it was with the theoretical view that some day, under some conditions, they might be a part of the United States as States, not merely as a landed possession or territory; but we have waited a generation, and we may wait a thousand years. There are gentlemen sitting all around me who represent districts in States made out of territory which we kept waiting the greater part of a century. How long was the region which is Montana a territorial possession? I do not know what will be the ultimate destiny of this little group of islands and their population, but we may imagine that, with the assent of California or Oregon or Washington, they may become a county or counties and a part of one of those States, and thus assume the quality of statehood. But this I give merely as a suggestion, and representing the opinion of nobody else, and I did not intend to bring it into the debate.

The Senator from Mississippi will remember that when, last year, I suggested to the able Senator from California that he might seriously consider taking in Hawaii, with its 468,000 persons—which is not a large number compared to the population of his State—as a county of California, that statement was the subject of considerable ridicule. However, I did not realize at that time that in making the statement, I had authority going back 56 years.

I thank the Senator from Mississippi for yielding to me.

Mr. EASTLAND. Mr. President, the distinguished Senator from Florida has attended all the hearings on this subject, and he is opposed to statehood for Hawaii; in fact, he has been a leader in the opposition to Hawaiian statehood. Let me ask whether he has heard advanced one reason why the admission of Hawaii would benefit the United States.

Mr. SMATHERS. Mr. President, I thank the Senator from Mississippi for his remark. Let me say that I have not heard one reason which appealed to me as good, sound, logical, or persuasive. In other words, I see no reason why we should admit Hawaii as a State, because I see no way by which it would benefit the general population of the United States.

In the United States we have a high standard of living and certain traditions and a certain culture. Historically, we have opened our arms to the people of all the rest of the world, and have said to them, "Come to us. We will give you the benefit of our Government and our laws and our great democracy and our great bounty."

However, never before in all our history have we said that we would reach out and take in, not only a group of people, but also their land, and that we would leave them in their land, where they would continue to live with the same traditions and history they had always had—traditions and history which are different from ours. Never before have we said that under such circumstances a separate people and a sep-

arate land would become an integral part of the United States.

Mr. President, I do not believe such an arrangement would work. It has not worked in the past, and I do not believe it will work in the future.

Mr. EASTLAND. Would it not be a radical departure from the principles applying to the admission of other States into the Union, if we were to reach out for several thousand miles into the Pacific Ocean, and admit to statehood an area which is almost as near to Tokyo as it is to the United States? Would not that be a radical departure?

Mr. SMATHERS. There is no doubt about it. Perhaps I should not say this, because every time it is mentioned, it is misunderstood; but there is no doubt that the people of Hawaii are good people—

Mr. EASTLAND. Of course that is so.

Mr. SMATHERS. However, the pure-blooded Hawaiians constitute but 3 percent of the total population of Hawaii today. Eighty-two percent of the people of Hawaii come from an Oriental background. In itself, that is not bad. Perhaps we should begin to move in that direction, and should become the United States of the Pacific, and finally should become the United States of the Orient. But at the moment I do not believe it is practical. We cannot do it and still protect the things in which we who live in the United States believe. Nor can we do it and still maintain our high standard of living or the purity of our democracy.

Mr. EASTLAND. Is it not a fact that if Hawaii should be admitted, we would no longer be the United States of America?

Mr. SMATHERS. Exactly. Then we would become the United States of the Pacific.

Of course it is also proposed that Alaska be admitted as a State. Again, the people of Alaska are good people; but there are only 130,000 of them. Many of our cities have larger populations than that. If Alaska were also to be admitted as a State, we would then become the United States of the Pacific and the Arctic Oceans.

When the day came that some political party needed two additional Senators, it might be decided to admit the people of Puerto Rico as a State. Then we would become the United States of the Pacific, the Arctic, and the Caribbean; and the dear Lord himself only knows where that movement would stop.

Mr. ANDERSON. Mr. President, if the Senator from Mississippi will yield at this point, I wish to state that the Senator from Florida has referred to the persons who are of pure Hawaiian blood, and he said they comprise only a very small proportion of the population of Hawaii.

I believe it worth while to mention that one of the most distinguished of all our combat teams in World War II was composed of Japanese from the Territory of Hawaii. Some of the finest fighters we had were Japanese from Hawaii. I believe those people should receive their just credit, along with those of the native Hawaiian strain. Cer-

tainly patriotism cannot be confined or limited on the basis of ancestry.

Mr. EASTLAND. The Senator from New Mexico is entirely correct, Mr. President; but that does not mean that the people of Hawaii are entitled to statehood, and does not mean that it is best for the United States that Hawaii be admitted to statehood.

Mr. SMATHERS. Mr. President, if the Senator from Mississippi will yield at this time, to permit me to make an observation, let me say that in my remarks about an oriental background, I hope I made it clear that I do not have anything against orientals. On the other hand, some of our great historians and great leaders have believed, as did Daniel Webster, that there are some logical boundary lines and some logical limits to the United States, and that they must be observed if we are to preserve our traditions, our system, our mores, and so forth; and that we cannot continue to spread all over the world.

The tendency to spread too far has been the cause of the destruction of many great nations and empires, which took over too many persons of diverse races and of different backgrounds, even though they were wonderful people. Such a movement finally had led to the destruction of many nations.

There is no doubt that the Japanese from Hawaii fought well with our troops. However, those who had been living in Honolulu fought well in defense of their own homes. What man would be worth his salt if he was not willing to fight when his home was attacked, as were the Japanese in Hawaii on December 7, 1941. If they did not then say, "We want to annihilate the enemy who has attacked us," of course they would not be worth their salt. Two battalions of those men fought heroically with our forces, and, of course, we are proud of them.

On the other hand, many Puerto Ricans and many persons of other nationalities or from other areas have fought well with our forces. As a matter of fact, the Puerto Ricans have contributed a higher percentage of their young manhood to the defense of the United States than have the people of the Hawaiian Islands.

Mr. EASTLAND. In fact, Mr. President, my information is that the French Senegalese fought very ably and heroically with the Americans during the last war. However, I do not think that entitles the French Senegalese to statehood. The point that they fought well has no relevancy to the question of statehood.

Mr. President, at this time I should like to read further from the report of the Hawaiian Territorial Commission on Subversive Activities, that commission having been created by the Hawaiian Territorial Legislature:

Testimony taken at the hearings revealed that in some instances individuals recruited into the Communist Party were elected to union offices without knowledge that they were even candidates. Through this method, a well-knit minority of Communist Party members exercised complete control over the large membership of the ILWU. Today, therefore, we find a curious situation where

the so-called International Longshoremen and Warehousemen's Union has within its membership and under the control of the Communist Party, the workers of the basic industries of the Territory of Hawaii; namely, shipping, pineapple, and sugar.

This is an official document of the Hawaiian Territorial government. I continue to quote:

To maintain this economic control of the Territory of Hawaii, the Communist-controlled ILWU has pitted race against race and creed against creed in any issue where it was losing ground with the workers. In this manner a well-knit minority has been able to maintain rigid control over the rank and file of a powerful union.

Mr. President, the situation described in this report has not changed in any way whatsoever. The hold of the Communist Party on the economic life of Hawaii has not been weakened, but, on the contrary, has been strengthened as was demonstrated in November and December 1952, when the Communists halted all Matson Line shipping to and from Hawaii for 12 days because 1 Communist longshoreman had been dismissed from his job.

That shows their power. For 12 days in November and December 1952, they tied up all Matson Line shipping. That is the big shipping line which delivers most of the food to the Territory. They tied up all shipping for 12 days because one longshoreman had been dismissed from his job.

Today one-third of the total membership of the ILWU, headed by Harry Bridges, is in Hawaii, and they are completely dominated by the Communist Party to such an extent that a worker dares not speak out against the menace of communism for fear of losing his job and being blacklisted from his own industry. I believe that to be a correct statement. Communism is so powerful that workers are afraid to speak out against it. Workers are afraid to speak out against Communist domination of the union, for fear of being blacklisted and losing their jobs. That condition is general over the Territory.

The appendix of the report continues a description of some of the recent activities of the Communists in Hawaii, naming names and mentioning the individual cells and groups of the party. It was written by Ichiro Izuka, formerly a Red official of the Communist Party in Hawaii, and during his party membership a leader of the ILWU. When he ceased to be a member of the Communist Party, he was forced out of his union and blacklisted from employment on the waterfront. This man was a leader in the union, and a party member. When he quit the party he was forced out of the union and was prevented from obtaining employment on the waterfront. He was a witness in the current Smith Act trial of Jack W. Hall, Denichi Kimoto, and five other Communist leaders in Hawaii. Ichiro Izuka's story about these activities, in his own words, deserves special study and consideration, and I should like to bring them to the attention of Senators, exactly as stated by Izuka himself. I read:

The Communist Party in Hawaii was reactivated in November 1945. For some

months before this, our leading Communists were active in what were known as community discussion groups. The leading spirits were Dr. Reinecke, Mr. and Mrs. Robert McElrath.

McElrath is now the Communist news commentator in the islands. Day in and day out he vilifies the United States. He has a tremendous influence over the people there.

The other Communists were—

Peter and Alice Hyun, Eileen Fujimoto, "Jack" Kimoto, Jack Kawano, and myself. This group moved from district to district, to engage in public discussion on subjects of community interest. Usually middle-class and professional people were invited to attend through personal contacts by party members. These meetings attracted school principals, teachers, welfare workers, and a sprinkling of manual workers.

They were a success and had the effect of increasing the prestige of our leading Communists in the community. None of the good middle-class people who attended had any idea that they were being led by Communists, but to me, looking at it from the inside, this activity merely constituted another front activity.

When orders came to reactivate the party, the discussion groups were dropped. Three cells, clubs, or fractions were formed at once. I was told that since I was not in a CIO union I should attend the meetings of the miscellaneous group, composed of people from the drydocks, A. F. of L., machinists union, and so forth. The first meeting of this group was held in Waikiki in the house of Elizabeth Bristow, secretary to Jack Hall. Present were Ernest Arena, Ralph Vossbrink, Jack Hall, K. Imori, Robert McElrath, Frank Thompson, Elizabeth Bristow, and myself. The first order of business was the election of officers, which resulted as follows:

Chairman, Jack Hall.

Literature director, Ralph Vossbrink (he was the individual who caused some excitement in Honolulu by passing out Communist literature on the waterfront).

Educational director, Robert McElrath.

Treasurer, Ichiro Izuka.

As treasurer, I kept a card in code showing the name of each member, his Communist Party book number, the monthly dues, initiation fee, and the month and date of payment of dues.

This card requires decoding since I was instructed to keep the information confidential and to devise a system of recording which I, alone, could understand. The first symbol in column I is a Russian "A" and stands for Ernest Arena. In the next column is his book number, which was 74515, in column 3 is \$1.00 dues for the month of November 1945. He received a raise in wages in January 1946, which raise required him to pay dues of \$2 a month. The second symbol in column I is a Russian "B" and stands for Ralph Vossbrink. The third is a Japanese character and indicates Jeanette Nakama. The fourth symbol is a Russian "H" and stands for Jack Hall. The fifth is a Japanese character and stands for Imori. The sixth is an English "I" and stands for Izuka. The seventh symbol is a Russian "M" and stands for McElrath. The eighth symbol down is Russian "T" for Mr. Frank Thompson, then the ILWU international representative in the islands. The ninth is a Japanese character and stands for Ralph Tokunaga. The following "O" stands for Wilfred Oka. The card shows he joined the party and paid his dues in February 1946. The other names indicated on the card are as follows: Okuhara, then of the carpenters union, joining in June 1946; Wallace Ho, who didn't pay any dues here because he was paid up in San Francisco and was waiting for his transfer card; David Thompson, also waiting for transfer card; Peggy

Uesugi, not then a member, merely a prospect. This girl joined later for job security, I believe. She was secretary of Yukio Abe, secretary-treasurer of the ILWU, Local 137. Next is her husband, who is an employee of the Mutual Telephone Co. It is quite likely he joined the party also to make his wife's job secure. I am quite sure he knows nothing about communism. The next is Pauline Rosenthal, who was waiting for a transfer card from San Francisco; then Abe, a member of the National Maritime Union, and Mrs. Abe, his wife. At the bottom of the card is the Russian "B" to represent Elizabeth Bristow, who left in January 1946 for New York.

Later on more clubs or fractions were formed, first on Oahu, and later on Hawaii, Kauai, Maui, and Lanai. I now give a brief account of these fractions. Since none of us party members were permitted to keep written minutes or records it will readily be understood that much is now forgotten and much I never heard about. Party discipline requires that a member ask no question about other fractions. Therefore, I have only the sketchiest information and know only the most active members in the party.

What I am doing, Mr. President, is showing how, step by step, the Communist Party was reorganized after the war, in 1945, and how it has grown and increased in power, leading up to the deplorable condition which exists today, when communism, according to the distinguished former Governor of the islands, is in control of its economic life and greatly influences its political affairs.

The description which follows is as of 1946 before my resignation from party membership in November 1946. As already mentioned, there were three groups at first after reactivation of the party. As these groups increased in size it was decided by the executive board to divide them up so as to have a separate group or fraction in each district where there were party members. Thus there was a Kaimuki group, with Dr. John Reinecke as chairman. This cell met at Reinecke's home at 3571 Pahoa Street. I estimate that there were from 10 to 15 in this cell, including Mrs. Alko Reinecke, Mrs. Peggy Uesugi and, at first, Ernest Arena. Arena later joined the Moiliili group because he was a worker and a trade unionist, while the Kaimuki group, composed largely of so-called intellectuals, concerned itself with education. Arena was secretary-treasurer of ILWU Local 150. As an example of the so-called education work, Dr. Reinecke told me during one of his numerous visits to pier 11, which you might say was headquarters both for ILWU and the Communist Party, that the executive board of the party had assigned to the Kaimuki and Moiliili groups the job of strengthening the Hawaii Youth for Democracy. Reinecke was once a teacher at the University of Hawaii. Charles Fujimoto was chairman of the Moiliili group and a chemist employed by the university. It was natural that these two should become most active in promoting Hawaii Youth for Democracy.

Other members of the Moiliili group were Wilfred Oka, Koichi Imori, Ralph Tokunaga, and Jeanette Nakama, in whose house at Kaihe Lane the group usually met. A word should be said about the occupations of some of these people. Wilfred Oka was once with the YMCA. From there he went to the carpenters union (AFL) as assistant business agent. When he was forced out he secured a job with the teamsters union. He was assigned first, if I remember rightly, to organize Honolulu's taxi drivers. This was around October or November of 1945, or perhaps even earlier. While he was with the teamsters, Oka was recruited for the party by Imori in January 1946, after which he brought about a switch in the affiliation of

the taxi drivers from AFL to Culinary and Service Workers Union (CIO) organized by Ralph Vossbrink. At this particular time the party line required that party members do all in their power to secure the affiliation of as many AFL unions as possible with the CIO. Oka, as a good party member, immediately went to work as a kind of casual organizer for CIO unions in Hawaii, all of which are, more or less, controlled by the Communist Party through party members placed in strategic positions in these unions.

That was a Communist, Mr. President, who said that all the CIO unions in Hawaii were more or less controlled by the Communist Party through party members whom Hall had placed in strategic positions in all the unions.

Koichi Imori received his training in trade union work from the local Brewery Workers Union under the leadership of Mr. James Cooley. This was back in 1938-41. For a short period Imori was trying to interest garage and service-station employees in the United Auto Workers of America (CIO). This union was too long making up its mind whether or not to grant a charter over here, so Imori got himself a job with Morgan Haywood, business representative of the International Association of Machinists, an independent union. He was forced out of this job and was picked up by Mr. Arthur Rutledge of the AFL teamsters on November 1, 1946. He was given a job as business agent of Local 904, Gasoline and Oil Drivers Union.

The party was much in favor of having party members like Imori occupy key positions in unions like the machinists and teamsters. Imori was, in fact, a useful pipeline of information for the party. From discussions within the party, in which I myself participated, I believe it is correct to say that Imori was planted, first in the machinists then in the teamsters, by the party itself. Later Rutledge assigned Imori to help Mookini raid the ILWU in the pineapple industry. You will remember Mookini was ousted from the ILWU as president of the Pineapple Union, Local 152. This assignment was too much for Imori. He resigned May 23, 1947, and Rutledge publicly denounced him as a Communist. Rutledge had discovered he was taking subscriptions among the AFL members for the People's World, and Rutledge, with some justification, said that the People's World is the west coast edition of the Daily Worker, New York publication of the Communist Party of the United States of America.

Ralph Tokunaga of the Moiliili cell was president of the Marine Engineering and Dry Dock Workers Union, affiliated with the ILWU. It is not an accident or a coincidence that Tokunaga is president of this union. The party planned it that way. The party needs people it can trust in such positions, and who could be more trustworthy from a Communist Party point of view than a party member?

Jeanette Nakama at one time was secretary to the port agent of the National Maritime Union (CIO) in Honolulu. She resigned at about the time President Curran of the NMU was denouncing President Harry Bridges of the ILWU and the Communists within his own union. Later I read in the newspapers that she had joined the staff of the Department of Public Welfare in Honolulu.

The next cell or faction is the Manoa group—the most important of them all. This faction included Jack Hall, his wife, Yoshiko Hall, David Thompson, research director of ILWU, Robert McElrath, international representative of ILWU, and Pauline Rosenthal, office manager of ILWU offices at pier 11.

The Puunui group was an offshoot of the Waikiki cell, which had been split into three groups, Puunui, Manoa, and Moiliili. The

Puunui group was first organized in August 1946 at a regular Wednesday night meeting of the Waikiki group, which in this case was held in my home at 2714 Liliha Street. Later it met regularly at this address. The reason for forming the Puunui group was that the original group was getting too large and it was becoming more difficult to keep these meetings secret. Chairman of the group was Ralph Vossbrink and the treasurer was Willis Wong. Other members were: Easter Doyle, of the Dry Dock Workers Union and president of the Oahu CIO Council; Wallace Ho, an employee of the Marine Cooks and Stewards, active also in organizing the Culinary and Service Workers Union with Vossbrink; and Rachel Saiki, who was a star witness in the NLRB S. H. Kress case in 1938, and who assisted in organizing Spud's Laundry when she was for a time employed there. After I was in disgrace with the party for supporting that long-time friend of labor, Mr. Borthwick, in the delegate race, this group met in Wally Ho's home at 62 Laimi Road.

The McCabe group (mostly employees of the McCabe Co.) was led by Jack Kawano, president of local 137, ILWU, and later temporary president of the consolidated waterfront local which included longshoremen all over the Territory. Other members were Ben "Big Nose" Kaahawinui and Julian Napunui, an executive board member of Local 137.

Mr. SMATHERS. Mr. President, will the Senator from Mississippi yield?

Mr. EASTLAND. I yield.

Mr. SMATHERS. I wonder if the Senator is familiar with the statement by the Delegate from Hawaii, which, in effect, supports the charge which the Senator is making as to the influence of communism in the Territory of Hawaii. On pag 90 of the hearings this question was asked of Mr. Farrington who was then testifying:

Mr. SMATHERS. This statement, which I tried to quote a minute ago, from Hall, is written to me in a letter from James L. Coke, whom I understand used to be the Chief Justice of the Supreme Court of the Territory of Hawaii.

Mr. FARRINGTON. Yes, sir.

Senator SMATHERS. He says:

"A strange thing to me is, if the subversives of Hawaii are going out for statehood, Mr. Jack Hall, one of these convicted last Friday, made this plain in a Labor Day speech which he delivered some years ago in Honolulu when he said, and I quote, 'Do not forget we are aching for statehood, and then we will be able to elect our governor and our judges, and we will have control of the police.'"

That had reference to a man who was one of those convicted as a Communist in the trials in 1952.

Mr. EASTLAND. That was Jack Hall.

Mr. SMATHERS. Yes. Then I said:

I quote that now, because a moment ago when I asked you about it, I could not find the quotation.

You said a moment ago that you thought this threat of communism was rather serious.

Mr. FARRINGTON. I think it is.

That was the Delegate from Hawaii speaking. Some persons around here who have never been to Hawaii, or who may have been there for a short time and been wined and dined by those hospitable people and had placed around their necks the little leis which seem to have a very enticing effect, say that the Communist movement in Hawaii is not now in existence. The distinguished

Senator from Nebraska [Mr. BUTLER] said he was worried about the Communist movement sometime ago, and that he was opposed to the admission of the Territory of Hawaii into the Union because he was worried about what would happen to the United States if the Communists got into our Government through the admission of the Territory of Hawaii.

He went to Hawaii. I do not know what happened, but he had a lei placed around his neck. That had been the experience of other Senators. When the chairman came back, he changed his mind. Now he comes before us and says he is not worried about communism. But the Delegate from Hawaii, a man who has lived there, says he thinks the Communist movement is very serious. I read from the hearings:

Senator SMATHERS. Does that result because of the fact that you are dependent upon shipping, and that the Communist union controls the shipping in and out of the Hawaiian Islands?

Mr. FARRINGTON. I think that is one factor, and I think they have been very active in that field for quite some time, and that there were conditions there that encouraged that sort of activity.

Senator SMATHERS. How many people are there in the International Longshoremen's and Warehousemen's Union; do you have any idea?

Mr. FARRINGTON. I believe there are between 25,000 and 28,000.

Senator SMATHERS. In the papers, it was reported in the New York Times the other day that some 26,000 International Longshoremen's and Warehousemen's Union workers went out on strike in protest against the conviction of John Hall.

Mr. EASTLAND. And the mayor of a city of 277,000 people, out of roughly 450,000 population in the islands, had his bands parade the streets as a protest against that conviction.

Mr. SMATHERS. I wonder if the Senator from Mississippi intends to address any of his remarks to the question of the influence of the Communist press and the Communist radio.

Mr. EASTLAND. I have later transcripts of the radio broadcasts of McElrath, the Communist commentator, who has tremendous influence in the islands. I have statements and testimony with reference to the amount of money which has been used to finance the Communist press in Hawaii. The condition is very alarming.

Furthermore, there is proof that from \$150,000 to \$200,000 a year is sent from Hawaii to the West Coast, to be used by Harry Bridges in furthering communism in the United States.

Mr. SMATHERS. I trust that before the debate is concluded the Senator from Mississippi will place that information in the RECORD, because I am confident the average American citizen would be extremely alarmed by the propaganda influence of the Communists in the Territory of Hawaii, if they knew exactly what the Communists were doing.

Mr. EASTLAND. The testimony of Delegate FARRINGTON, which the distinguished Senator from Florida quoted, shows absolutely that the bill should be defeated, because Delegate FARRINGTON said that communism was a grave danger in Hawaii.

Has the distinguished Senator from Florida read, in Delegate FARRINGTON's newspaper, the conditions in the fall of 1952, during the political campaign, with respect to the imminent danger of communism taking over Hawaii?

Mr. SMATHERS. No, I must say to the Senator, I have not read those issues, but I know, as Delegate FARRINGTON stated before the committee, that he thought, even as late as 1953, when he testified, that communism was a very serious danger.

Mr. EASTLAND. There was the situation of a Democratic Communist captive, who came within 10,000 votes of defeating Delegate FARRINGTON, stating from the bench that communism and the Communist Party in Hawaii were not offshoots of Russian communism. That was a statement by the man who received practically 50 percent of the votes against Delegate FARRINGTON.

Mr. President, the distinguished Senator from Florida has attended all the hearings, and I know he has heard the argument made, as it is made by persons from the islands who desire statehood, that if statehood were granted to Hawaii, the people of Hawaii would be better enabled to handle the Communist problem. Has the Senator from Florida heard that argument?

Mr. SMATHERS. I must say that I have, and I hope the Senator from Mississippi will address himself to that question.

Mr. EASTLAND. I desire to ask the Senator from Florida a question. The persons who advocate the bill state that if Hawaii is granted statehood, the people there will be better able to handle the problem of communism. I have not had an opportunity to read all the committee hearings; I have read only Governor Stainback's testimony. But I should like to ask the Senator what proof or what reason was given to sustain such an assertion?

Mr. SMATHERS. No reason was given. It is simply a statement based upon the conclusion that if statehood is granted, somehow or other the Communist menace would be eliminated. Of course, the very fact that, in many ways, Communists are behind much of the active statehood movement does not seem to worry other persons at all. Why, I do not understand. There is not one thing the people of Hawaii could do under statehood which they cannot do now. Actually, there is no reason to believe that by granting statehood, they would or they could make a more active fight on communism.

It is my belief that the people of Hawaii definitely should be required to clean up the Communist mess before they come before Congress and even ask for statehood.

Mr. EASTLAND. Would they not be weaker in the effort to combat communism? There would be a slate of candidates proposed. There would be the election of the governor of the State, there would be the election of two United States Senators, and the election of a Representative. In Hawaii there is a labor union, or a group of 30,000 persons masquerading as a labor union, but who, in reality, comprise a Communist

organization, according to the distinguished former governor of the Territory. Does not the distinguished Senator from Florida realize that statehood would place the ILWU in a powerful trading position, to play off those groups, to trade support here for support there?

Would they not say, "If you will give us a Senator, we will give you a Senator. We will give you a governor, if you will give us a Representative."

After all, it is the Congress of the United States which the Communist Party desires to control. Would not statehood increase tremendously the Communist influence in the political life of Hawaii?

Mr. SMATHERS. There is no question about it, because, as the Delegate from the Territory of Hawaii has pointed out, most of the outlying islands, not the large island on which the city of Honolulu is situated, are more completely controlled by Communists than is the city of Honolulu.

Mr. EASTLAND. There is one island in which the legislative delegation was elected by the ILWU.

Mr. SMATHERS. There is no question that the Communist influence in the outlying islands is greater than it is in the city of Honolulu. The two candidates for United States Senator, the candidate for United States Representative, and the candidate for governor would have to run islandwide, as the expression is. They would have to appeal for votes all over the outlying islands, which obviously would increase the influence of the ILWU and make it greater than it is now.

Of course, if they were successful, as the former governor has stated, while it might be true that they could not elect a candidate simply by their own votes, nevertheless they could keep a candidate from being elected. If a candidate hoped to become elected, he would have to make common cause with the Communists.

Mr. EASTLAND. Anti-Communists, such as Judge Stainback, say that if Hawaii is granted statehood, the Communists will be able to veto the election of candidates for United States Senator, United States Representative, and governor. That is the contention of the anti-Communists.

On the other hand, Communist Leader Jack Hall says, "We will be able to elect Senators. We will be able to elect a Representative. We will be able to elect a governor. Then we will be able to take over the State of Hawaii."

Mr. SMATHERS. Obviously, the Communists believe in their own minds that they are stronger than some other persons think they are.

Mr. EASTLAND. Our own people say that Communists can veto the election of anyone. Our own people do not say, "We can elect whomsoever we desire."

Mr. SMATHERS. As a matter of fact, at a recent meeting of the ILWU in 1954, when someone asked them about statehood, they said they were staying quiet. But they want statehood; they are promoting statehood, as I read from the record a moment ago.

Jack Hall, the convicted leader, said, "We are aching for statehood." They

know that if they have statehood, with the influence and the control which they have in the Territory of Hawaii, they will then have a voice, and the same voice will be speaking for them in the United States Congress. They are aching for statehood, and they cannot wait until they get it.

Mr. EASTLAND. Not only will they have a spokesman in the United States Congress, but it will give the Kremlin and Moscow influence on the floor of the Senate of the United States. I make that statement in all candor, because the ILWU is a Communist union. Its members may not be Communists, but its leadership is Communist. The leadership disciplines and controls the members, and the head of the union is an agent of the Politburo in Moscow, and is a traitor to the United States. Yet he is the most powerful man in the Hawaiian Islands. He is the man who holds the balance of power in politics in the Hawaiian Islands.

Why should we admit Hawaii as a State, when the most powerful individual in Hawaii is a Communist, and when the most powerful group in Hawaii, politically, are Communists and traitors to the United States of America? One cannot indict all the people of Hawaii. Most of them are good people. They are anti-Communist. But the fact remains that the members of this union use their political power to promote the ends of its Communist leadership.

I read further from the testimony of the cell organizations in Hawaii. I was reading that Eileen Fujimoto, wife of Charles Fujimoto, who was chairman and also a member of the executive board of the Communist Party.

I continue reading from the report:

She earns her living as secretary to Jack Kawano. Another member was Joseph (Joe Blurr) Kealalo, who was vice president of ILWU Local 137. Another was Richard Shigemitsu, executive board member of local 137, who was also elected by secret order of the party to the Committee for Maritime Unity, about April 1946.

Early in 1946 all members of the ILWU, who were also members of the party, made up a group generally referred to as the ILWU group. Later it, like the Walkiki group, became too large and was split up into three—Castle & Cooke, McCabe, and the sugar group. I attended many meetings of the ILWU group when it met at Kimoto's home at 2162 Makenani Drive, in Alewa Heights. These meetings discussed such matters as the CMU convention, ILWU-PAC, the coming struggle in sugar, etc.

Mr. MORSE. Mr. President, will the Senator yield, with the understanding that he does not lose his right to the floor?

Mr. EASTLAND. I yield for a question by the Senator.

Mr. MORSE. I say, with the understanding that the Senator does not lose his right to the floor.

Mr. EASTLAND. Yes.

Mr. MORSE. I seek information. Can the Senator from Mississippi advise the Senator from Oregon how much longer he thinks his speech will take?

Mr. EASTLAND. Mr. President, I cannot finish today. In fact, the work team of the Internal Security Subcommittee has conducted extensive hearings on this

question, and before the debate is over I expect to speak 3 or 4 days. I did not intend speaking tomorrow, but I cannot conclude today. I have just reached the preface of my remarks.

If the Senator from Oregon wishes to speak this afternoon, I shall yield the floor to him.

Mr. MORSE. I wish to ask a question or two before I accept the very generous offer of the Senator from Mississippi. If I did not ask the Senator from Mississippi to yield, assuming the Senate would grant me the privilege of speaking, how much longer would the Senator from Mississippi take?

Mr. EASTLAND. I would take as long as the Senate remained in session today.

Mr. MORSE. I wonder if the Senator from Michigan [Mr. FERGUSON], now acting majority leader, will permit me to put the question to him.

Mr. FERGUSON. It was expected that the Senate would remain in session as long as the Senator from Mississippi spoke.

Mr. SMATHERS. Mr. President, I thought I understood the Senator from Michigan to agree with the Senator from Texas a moment ago that the Senate would recess at 5:15.

Mr. FERGUSON. I understood the Senator from Mississippi to say he was going to finish his speech.

Mr. EASTLAND. No; that was not the agreement.

Mr. FERGUSON. The Senator from Michigan would like to have the Senate recess at 5:15.

Mr. MORSE. Still protecting the right of the Senator from Mississippi to the floor, I should like to remind the Senator from Michigan that the Independent Party proposes to make a speech tonight, with the cooperation of the Senate and the Senator from Mississippi; but at the same time I did not want to take the Senator off the floor.

Mr. EASTLAND. The Senator has my cooperation.

Mr. MORSE. I think my address will take in the neighborhood of 30 minutes.

Mr. FERGUSON. Mr. President, I have a suggestion.

Mr. EASTLAND. Mr. President, I am going to conclude my speech at this time. Later in the debate I expect to get all the information from our hearings into the RECORD. It will take several days, and, of course, I could not finish tonight. I yield the floor to the distinguished Senator from Oregon, with the understanding that when I speak again it will not count as a second speech on the subject.

Mr. LONG. Mr. President, is that a unanimous consent request?

Mr. EASTLAND. Yes.

The PRESIDING OFFICER [Mr. CASE in the chair]. Will the Senator state his request? The Chair wishes to inquire of the Senator from Mississippi if he yields the floor.

Mr. EASTLAND. As I stated, I ask unanimous consent that I may yield the floor with the understanding that, after yielding to the Senator from Oregon, when I again address the Senate my remarks will not be counted as a second speech on the subject I am discussing.

Mr. LONG. Is there any reason, in the parliamentary situation, why the Senator cannot make all the speeches he desires to make on this subject? Does not the Senator have the right to make an additional speech on the subject?

The PRESIDING OFFICER. The Senator from Mississippi is entitled to make two speeches on the subject; and, of course, an amendment may be offered, and he could then make two speeches on the amendment.

Mr. LONG. Do I understand the parliamentary situation to be that additional amendments are still in order? Am I correct in understanding that the Senator may make two speeches upon the bill itself, as well as two speeches upon every amendment which is offered to the bill?

The PRESIDING OFFICER. The Senator could do so with regard to amendments to the Hawaiian section of the bill. As the Chair understands, the Alaskan amendment has been adopted.

Mr. LONG. However, the Hawaiian section is still subject to amendment, is it not?

The PRESIDING OFFICER. Yes.

Mr. LONG. And any number of amendments could be offered, and two speeches could be made on each of those amendments?

The PRESIDING OFFICER. Yes, unless the Senate adopted the unusual procedure of limiting the number of amendments.

Mr. LONG. Is there any reason why the Senator from Mississippi could not make any number of speeches by following such a procedure?

Mr. EASTLAND. Why would the Senator ask me to offer a sham amendment merely in order to be able to make a speech?

The PRESIDING OFFICER. Is there objection to the request of the Senator from Mississippi?

Mr. LONG. Mr. President, I object.
Mr. EASTLAND. Mr. President, I yield the floor.

ALEXANDER HAMILTON BICENTENNIAL COMMISSION

During the delivery of Mr. EASTLAND'S speech,

Mr. MUNDT. Mr. President, I ask unanimous consent to introduce, for appropriate reference, a joint resolution to establish a commission for the celebration of the 200th anniversary of the birth of Alexander Hamilton. I am happy to announce that 17 other Senators have associated themselves with me in the introduction of the joint resolution, and I shall mention them in the remarks I am about to make.

The PRESIDING OFFICER. Without objection, the joint resolution will be received and appropriately referred.

The joint resolution (S. J. Res. 140) to establish a commission for the celebration of the 200th anniversary of the birth of Alexander Hamilton was received, read twice by its title, and referred to the Committee on the Judiciary.

Mr. MUNDT. Mr. President, the last quarter of the 18th century was a time of great events. Among the greatest of

these events were the American Revolution and the French Revolution. Despite some self-styled liberals, the American and French Revolutions had no relation to each other. They were begun for different reasons, conducted altogether differently, and produced exactly opposite results. So destructive was the French Revolution that the French people have not yet, a century and a half later, been able to erect stable political institutions.

On the other hand, the American Revolution was a creative revolution. From it came national independence for the 13 rebelling British Colonies in North America, loosely bound together by the Continental Congress. Within 8 years of Cornwallis' surrender at Yorktown the Constitution of the United States had been written and ratified, but only after the greatest political campaign our people have ever seen.

Within another 8 years George Washington's 2 great presidential administrations were over; new political institutions had been firmly erected, which still stand; new traditions had been planted in the minds of the people, traditions which still flourish and are strongly cherished by the descendants of the American revolutionists.

One writer, Lynn Montross, has observed that "the American Revolution remains the only great political upheaval of history which achieved all its aims without the execution of a single opponent for his political beliefs." Then he adds:

A nation which can produce a single first-rate political mind in a generation is well endowed. But this little strip of Atlantic seaboard in the late eighteenth century was shaped into a nation by such brains as Washington, Franklin, Jefferson, John Adams, Madison, Otis, Hamilton, Jay, and Monroe. Such a concentration of genius can only be compared to the Greece of Pericles or the Italy of the Renaissance.

In the forefront of this remarkable group stood Alexander Hamilton. Among them, in 1787, only Washington and Franklin shared Hamilton's intense belief in his vision of the destiny of the not yet United States.

This vision, which he had set down in words in 1782, at the age of 25, in *The Constitutionalist*, was before him to the end of his life.

Let me repeat Hamilton's words:

There is something noble and magnificent in the perspective of a great Federal Republic, closely linked in the pursuit of a common interest, tranquil and prosperous at home, respectable abroad; but there is something diminutive and contemptible in the prospect of a number of petty states, with the appearance only of union, jarring, jealous, and perverse, without any determined direction, fluctuating and unhappy at home, weak and insignificant by their dissensions in the eyes of other nations. . . . Happy America, if those to whom thou hast entrusted the guardianship of thy infancy know how to provide for thy future repose, but miserable and undone if their negligence or ignorance permits the spirit of discord to erect her banner on the ruins of thy tranquillity.

During the next 19 years, until Jefferson became President in 1801, Alexander Hamilton was at the center of constructive activity in the building of the United States which has come down to us almost

unchanged. His was the fertile mind and organizing genius of Washington's administrations. For this great work he has been described as "the Architect of American Union."

The late Elihu Root praised "the lucid and powerful expositions of controlling principles" contained in Hamilton's great reports to the Congress on public credit, a national bank, and on manufactures, which were the guides "by which our Nation has become great and respected and they are applicable now as they were then."

But beyond this high merit Mr. Root adds:

The spirit and tone of these discussions; their freedom from personal rancor and prejudice; the considerate appraisal and respectful treatment of opposing arguments; the constant test of proposals by fair recognition of the working of human nature among the interests and prejudices and habits of the people to be specially affected; the industry with which light is sought by the author from history and experiment; the unswerving relevancy of the argument to the supreme object of the general public good—all these qualities render these reports models for treatment of such subjects as we now have before us, and examples worthy to be followed in our efforts to do our duties as citizens in the coming discussion.

Hamilton's maxim in writing and speaking was simply this: "Let the force be in the idea, not in the language." That is still a good rule.

One hundred and fifty years ago, come July, Alexander Hamilton was struck down in his 47th year. It is fitting now for the Congress to establish a United States commission to plan and conduct a proper celebration of Hamilton's bicentennial in 1957. For that purpose, Mr. President, I have introduced a joint resolution which will create the Alexander Hamilton Bicentennial Commission. This joint resolution is also sponsored by the senior Senator from Virginia [Mr. BYRD], the senior Senator from New Hampshire [Mr. BRIDGES], the senior Senator from Colorado [Mr. JOHNSON], the senior Senator from North Dakota [Mr. LANGER], the senior Senator from Michigan [Mr. FERGUSON], the senior Senator from New Jersey [Mr. SMITH], the junior Senator from Arkansas [Mr. FULBRIGHT], the senior Senator from Massachusetts [Mr. SALTONSTALL], the senior Senator from California [Mr. KNOWLAND], the junior Senator from Virginia [Mr. ROBERTSON], the senior Senator from New York [Mr. IVEY], the senior Senator from Utah [Mr. WATKINS], the senior Senator from Texas [Mr. JOHNSON], the senior Senator from Maryland [Mr. BUTLER], the junior Senator from Arizona [Mr. GOLDWATER], the junior Senator from Massachusetts [Mr. KENNEDY], and the junior Senator from Montana [Mr. MANSFIELD].

Among the great contributions which the Alexander Hamilton Bicentennial Commission might make would be to arrange for the publication of Hamilton's papers.

There have been three previous publications of the writings of Hamilton:

First, *The Works of Alexander Hamilton*, edited by John C. Hamilton, in 7 volumes and published by order of the Joint Library Committee of Congress

during 1850 and 1851. These volumes were based upon the materials then deposited in the State Department archives. Judged by the standards of the day, the volumes were useful and good, but historical editing has since undergone revolutions and refinements.

Second. History of the Republic of the United States of America as Traced in the Writings of Alexander Hamilton and of his Contemporaries, by John C. Hamilton, New York, 1857-60, six volumes. This set reprints in narrative form many of the materials earlier presented in the works, but takes advantage of some materials in other collections.

Third. The Works of Alexander Hamilton, edited by Henry Cabot Lodge, New York, G. P. Putnam's Sons. This 12-volume publication of 1904 contains very little that was not contained in the 1850-51 works.

All of the aforementioned publications have long been out of print, and can be obtained, with difficulty, only from dealers in old and rare books. They are available in many of our public libraries, but even the best that is available is basically a collection of materials assembled a century ago.

What has happened to his illustrious contemporaries?

First. The Writings of George Washington were published between 1931 and 1944 in 39 volumes, under the auspices and at the expense of a Government commission, which operated from 1924 through 1944, involving this as one of its major accomplishments.

Second. Thomas Jefferson. He is receiving ample justice in one of the most ambitious historical projects of our age—jointly sponsored by the New York Times and the Princeton University Press. The Papers of Thomas Jefferson, edited by Julian C. Boyd and others, will ultimately have a contemplated 55 to 58 volumes. The first volume was issued in 1950 and has already established a new high standard for historical editing.

Third. Benjamin Franklin. Yale University, in cooperation with the American Philosophical Society and others, has recently announced the project of collecting and publishing the complete works of Franklin. It is indicated that 15 volumes will be published over a period of some 10 years.

Thus, of our four great figures of the 18th century, only Hamilton stands neglected.

It seems clear that the most appropriate and enduring contribution which any Federal Hamilton Bicentennial Commission could make would be an adequate edition of his writings. This need not be done with the same elaborate completeness of the Jefferson project, with its 50 and more volumes. It need not be done entirely at the expense of the taxpayers, as was the George Washington publication. The Hamilton Commission should be empowered to invite and accept financial contributions from interested individuals and organizations—with the income-tax allowances normally applicable to donations to educational and similar activities.

There is a growing interest, in every segment of the American public, in our rich historical heritage.

First. The Rutgers University Press will this year issue the 9th and final volume of the "Collected Works of Abraham Lincoln," edited by Roy P. Basler and sponsored by the Abraham Lincoln Association.

Second. This year the Harvard University Press has published the 8th and final volume of the "Letters of Theodore Roosevelt," edited by Elting E. Morison.

Third. Many other similar projects are in motion. They include: Herman Melville, James Fenimore Cooper, and John C. Calhoun.

When the publication of all this wealth of historical data is complete, definitive biographies of our leading Founding Fathers can be written. But more important yet, the great story of the formation of the American Union can be written with accuracy, completeness, and perspective. Then the unique American political system, which springs from the nature of our Union, will be better and more widely understood. Then the life of the United States may well go on for thousands of years.

Mr. President, it seems to me that this is a most propitious time in which we could undertake the kind of commemoration I am proposing, because we are living in an era of world history when many countries throughout the world are struggling with the problem of self-government, or trying to find a proper formula to use in adopting for themselves the self-government best suited to their environment, capabilities, and abilities, and by making available to those people in foreign lands, as well as to American scholars, the complete works of Alexander Hamilton, I think we will serve not only this Republic, but the world. We will be pointing out some of the basic considerations understood by Americans in the creation of a republic which has done more to preserve and promote human freedom than any other system of government in any other era of history.

THE REPUBLICAN FOREIGN-TRADE POLICY

The PRESIDING OFFICER (Mr. BUTLER of Maryland in the chair). Under the unanimous-consent agreement, the Senator from Nevada now has the floor.

Mr. MALONE. Mr. President, from time to time I am asked: "What is the Republican foreign-trade policy?"

The administration as yet has not provided a clear-cut answer. The Congress has not given a clear-cut answer.

The Republican platform of 1952 stated that trade agreements will be entered into and maintained on a basis of reciprocity and to safeguard our domestic enterprises and the payrolls of our workers against unfair import competition.

Many domestic industries have not, to date, been safeguarded, and the payrolls of our workers have not been safeguarded against unfair import competition.

Extensive efforts are being made by proponents of free trade and one-economy-world to destroy the few safeguards that remain, weak and ineffective as they are, after 20 years of free trade and State Department sell-outs.

The answer to what the Republican foreign-trade policy is—or what it was intended to be—comes from the Republican National Committee, the heart of the Republican Party itself, and I have yet to find any answer elsewhere.

After the Republican National Convention of 1952, and after the nomination of Gen. Dwight D. Eisenhower for President—but prior to the election—the Republican National Committee saw fit, through its research division, to develop and distribute a 24-page treatise on the Republican foreign-trade position. This document, entitled "The Republican Party and Foreign Trade," was an important campaign document.

It reviewed Republican foreign-trade policy throughout the history of the Republican Party, denounced the authority given to the President under the Trade Agreements Act of 1934, condemned the general agreement on tariffs and trade, which we call "GATT," and scored State Department propaganda and usurpation of power.

PROMOTE EMPLOYMENT ABROAD AND UNEMPLOYMENT IN UNITED STATES

The Republican National Committee, through sponsorship of this valuable report, charged, and correctly so, that the Democratic administration, with its one-world, free-trade policies, was, in fact, promoting employment abroad and unemployment at home.

The junior Senator from Nevada thinks it is particularly fitting at this time, when we have been discussing the Bricker amendment and the various substitutes, to go back to this Republican statement of Republican principles, as promulgated in the thick of our successful Republican campaign.

In its foreword, the Republican National Committee's research division stated many truisms. Among these are—

Goods shipped to our shores from countries which have few, if any, laws regarding cartels, monopolies, working conditions, insurance, minimum wages, and numerous costly features which are mandatory in the United States, compete directly with the products of our own workmen.

Many of these goods enter free of any duty; others are dutiable at very low rates established by the Congress or by the President under the Trade Agreements Act.

I may say here that under New Deal administrations, the Congress abdicated its authority under the Constitution. In fact, "obligation" is a better word; and "constitutional responsibility" is a still better phrase to be used in that connection. Congress turned over that authority to the President, who, in turn, transferred it to the State Department, which, in turn, gave it to this thing called GATT.

I resume the quotation:

If imported goods can undersell domestic goods because of low production costs resulting from low wages, monopolies, lack of workmen's compensation, insurance, etc., then the American worker is entitled as a matter of constitutional right to some form

of import regulation that will put him on an equal footing.

UNITED STATES TAXES USED TO SUBSIDIZE FOREIGN COMPETITION

Mr. President, that Republican document, prepared by and for the Republican National Committee, went on to say that in recent years enormous sums have been spent abroad to build new plants, install modern equipment, train workers, and increase efficiency; and it significantly adds that—

We might say to our own farmers, factory workers, and businessmen, "Reduce your income and living standards to those of the coolie or peon, or get out of the kinds of industry that cannot compete with the foreign industries using that kind of labor." Indeed, there have been open and serious attempts by Fair Deal leaders to do that very thing.

The State Department has even gone so far as to say, "Of course we shall lose some industries and we shall have unemployment, but we will train those workers to do other kinds of work, and we will install new industries in those areas." Of course, those industries would admittedly be uneconomic, or they would be there already.

Indeed there have, and attempts to do that very thing are being made now by the Clarence Randall's, the Charles Tafts, the Henry Ford II's, and others of that strange global cult who are seeking to displace American workers to the advantage of foreign low-wage coolie or peon labor.

In concluding this foreword, the national committee through its research division, states:

To the preservation of the rights of the American workman to continue to make a fair living in the occupation of his choice, this study is dedicated.

I repeat, "the occupation of his choice," not an alternate or substitute occupation chosen for him by a State Department with its eyes focused upon foreign nations across the seas and with little or no understanding of the living standards of our American workers or of the experience needed to fit them for their work.

Mr. President, to me that constitutes a pledge, a campaign pledge, and a pledge which I assume the Republican Party intends to honor.

They are pledged to protect the living standards of the American workingmen and the investments of Americans in their own country.

It bespeaks Republicanism—the Republicanism of Abraham Lincoln, William McKinley, Theodore Roosevelt, and Calvin Coolidge.

The document—a Republican campaign document if you please—offers this simple and correct definition of what a tariff is, and in these words:

A tariff is a form of government tax levied on imported goods.

I may say at that point that the workingmen of America in their jobs, and the taxpayers of America, in their investments, have a right to expect the protection of an import fee—a duty, as the Constitution calls it, or a tariff, as it is generally referred to—which compen-

sates for the difference between the wages in this country and those in the chief competitive nation, for differences in taxes, and other factors of lesser magnitude.

If we intend, deliberately, to browbeat the workingmen of America through the threat of sweatshop labor competition, we do not deserve the reputation of being a great party, as we always have been.

The junior Senator from Nevada thinks it is very important to understand that, particularly in these days of high taxes, high income taxes, high corporation taxes, and high excise taxes on American producers of products in America, and when taxes on imported goods have been reduced in most instances to nothing at all, and in others to 2 percent.

Recently there was a discussion in the Ways and Means Committee of the House relative to a further reduction of taxes for American investors abroad.

TARIFF POWERS ABSOLUTE

I shall not take time to recite the Republican history of Republican tariffs or taxes on imported goods up to the election of a Democrat President in 1932 and the subsequent enactment of the trade-agreements scheme of 1934, but I will include this Republican comment on that act. I quote:

Under the Democrat plan, the President became a virtual dictator of our tariff adjustments. He was not required to answer to Congress nor to explain to its Members the manner of his operations. . . .

Under the most-favored-nation treatment, the concessions made under the plan were to be generalized to all the world. . . . For example, the President gave a concession on tuna fish canned in brine to Iceland. Japan, Peru, and the other suppliers of this item have taken advantage of the reduced duty and in the last 2 or 3 years imports have skyrocketed.

They still are skyrocketing, by the way.

The countries really benefiting had not only not given us any concession in return for this valuable one—

The Republican report continues—

but Iceland, to whom the concession was originally granted, does not manufacture, export or trade in tuna fish canned in brine, and therefore the concession was worthless to that country.

It has become the habit of the State Department to make a trade agreement with a country relatively unimportant, so that the dealings attract little public attention. Then, under the most-favored-nation clause the nations which really benefit, without any paper concessions, enjoy the same privileges. That is all the concessions have ever been—paper concessions—since they escape responsibility through manipulation of the price of their money in terms of the dollar-trade permits, exchange permits, and other manipulations.

The Republican National Committee's research report then discussed the history of the Republican peril point and escape clause provisions, the opposition to these provisions on the part of the Democrat administration, and its evasion of these provisions from the time of

their inclusion in the Extension Act until the time of the report. It states:

The fact that some agreements contained some form of escape clause, and others did not, opened the way for the worst kind of discrimination and unfairness. Furthermore, the administration was not obligated to use the escapes that were provided unless it chose.

The Republican committee report continues:

The President—

Meaning President Truman, of course—

could control the life, death, or degree of injury to any given industry by the turn of his thumb just as the Roman emperor signaled the disposition of gladiators in the amphitheater.

GATT PERFDY EXPOSED

Now we get to the Republican research division's declaration on GATT, with its introductory statement that the free trade banner has been waved more and more openly with each year of the operation of the trade agreement program, which certainly is as true today as under the previous administration.

I quote:

In 1944 and 1946 plans were laid for a scheme that would permanently commit the United States to participation in an international organization to control world trade. The scheme was designated the International Trade Organization (ITO).

It was one of the famous alphabetical agencies which formed a pattern, along with 30 or 40 other such organizations. What was that pattern? It was to make us dependent on foreign sources for the materials without which we could not fight a war or live in peace, and move our civilian economy to a wartime economy.

I continue to quote:

This was to be a major step toward economic one-worldism and so entangling that our whole free enterprise system was threatened.

Members of the Senate will recall that I was making those very charges on this floor from the very inception of GATT and in all the years between, and it is gratifying to me to know that I was stating what was then, and still is, the final definitive position on this subject of the Republican Party.

The Republican National Committee's report continues:

It was decided that it might be too big a pill for Congress to swallow all at once, and the initial step became a multilateral trade agreement known as the General Agreement on Tariffs and Trade (GATT).

This GATT in effect provisionally since 1947, is a sort of nebulous, hydra-headed arrangement whereby a number of countries have agreed to put concessions in the pot all under one agreement.

The authority of the President to enter into this agreement has been seriously questioned. His general powers, coupled with the delegation of authority under the Trade Agreement Act and a failure of Congress to specifically condemn GATT are his claims to the right to make the United States a member.

NATION BOUND BY EXECUTIVE BRANCH

It should be noted that GATT cannot become definitely effective until we have changed some of our laws and reversed some

of our court decisions, but it is provisionally effective and operating in full force for all its sections except the ones that are contrary to our existing laws.

Under its terms the State Department and the President have bound this country to make such changes in our own laws as conflict with GATT and ITO principles as soon as possible * * *.

Alert leaders—

This Republican report states—
have repeatedly challenged the administration—the Truman administration, that is—to bring GATT before Congress for ratification or rejection.

Well, it has not come before the Congress yet.

What is being challenged is the right of the President to enter into such an agreement and usurpation by him and the State Department of power to prevent Congress from exercising its constitutional responsibilities.

There are frequent other references to GATT in this Republican report, among them the statement I have made often on the Senate floor, that "GATT is the camel's head in the tent."

And there is this Republican admonition to all Republicans which I now quote:

Republicans in Congress and on the home front must keep a constant vigil to prevent the one-worlders and free traders from doing stealthily what the American public would not let them do openly.

Today, in my opinion, that advice is as pertinent as when the Republican National Committee issued this document in the successful Republican campaign of 1952.

ONE-WORLDEERS AT WHITE HOUSE DOOR

The one-worlders and the free traders are abroad again and some of them are trying to slip into the White House by the back door.

A large section of this Republican document and report is devoted to demonstrating that the Democrat administration promotes employment abroad and unemployment at home.

I expect to go into this employment picture at another time.

Back in 1952, during the Republican campaign, when this declaration was prepared in behalf of the Republican National Committee, the statement was made:

Every worker whose job depends on his employer's ability to stay in business knows of the avalanche of imports that would sweep our shores except for emergencies and consequent artificially stimulated domestic production. He knows also that a number of industries have suffered even though one emergency after another has aided the home producer.

Mr. President, we are now, it appears, through the able leadership of President Eisenhower, done with the perpetual emergencies of the New Deal and the Fear Deal.

Now the prophetic words of that Republican campaign document of 1952 are coming true.

Our free-trade chickens are coming home to roost, an avalanche of imports is sweeping our shores, and the Republican Party must return to the Republican policies and principles of 1854 through 1952 if our industrial prosperity

and our industrial payrolls are to be maintained.

PRO-FOREIGN DRIVE CONTINUES

I am aware, of course, of the free trade propaganda that is being disseminated throughout the Nation in an effort to have the policies of the two previous administrations and State Departments continued.

The Republican National Committee's research division warned about this too. It stated:

Stirred and spurred by the free-trade clique which has been operating the State Department, foreign nations have been quick to complain and see dire shadows on the wall every time a domestic industry has appealed to the Tariff Commission under the escape clause.

Well, they still do.

These very countries are among the many whose import restrictions are enormous and rigid compared with our own.—

And that is still true.

The Republican report continues:

The propaganda campaign, with its malignment of domestic agriculture, labor, and industry, and the bitter tears shed over the "trend toward isolationism" is so obviously a deliberate plant by free-trade protagonists that the public should see and know it for what it is. * * *

The Fair Deal propaganda campaign about how tariffs are wrecking our foreign-aid program is a sham and quite a reflection on those in power.

The President—

Meaning President Truman, of course—

has autocratic power over tariffs. Very few of those tariffs have not been reduced at least once: most have been reduced twice, and many have been reduced three times. * * * Who do the Democrats think they are blaming for the present tariff situation?

On the other hand, this is apparently a groundwork campaign for a final dash toward the completely free-trade goal.

Remember this was the Republican National Committee's research division speaking in the presidential campaign of 1952.

Never before—

The committee stated—

has it been so important to elect a Republican President and a Republican Congress. "America Last" has become the new slogan of a party that has constantly chiseled away the rights and freedoms of every worker and employer in the country.

Adequate, flexible tariffs are essential to the economic welfare, and must be maintained wherever low standards in foreign areas give imported goods undue advantages over those produced by American labor.

POLICY RECOMMENDATIONS SOUND TODAY

Mr. President, this Republican National Committee document concluded with a number of specific recommendations, which in my opinion, constitute the only declared foreign-trade policy of the Republican Party today. These policy recommendations include:

The GATT should be examined by Congress.

Changes in our international agreements should be made by reciprocal negotiations.

The aim of Republican improvements in trade agreements will be the promotion of world trade on the basis of fair and reasonable competition.

We maintain that this is entirely compatible with the principle that foreign products of underpaid, unregulated foreign labor shall not be admitted to this country on terms which imperil our living standards or injure domestic industries.

Tariffs are the tried and proven method of regulating imports.

Customs procedures * * * should be modernized and made clear and simple.

The right to court review by importers and domestic producers must be maintained at all costs, and we deplore the recent attempts to impair that right.

The Tariff Commission should be revitalized and expanded so that it can capably administer its many functions under the tariff and trade agreements acts.

It should be brought back to its close relationship with the Congress and cease to be a tool of the executive branch for the furtherance of its peculiar policies.

Under a system of true reciprocity and full cooperation with friendly foreign nations, a Republican administration will maintain the American heritage—the right of every citizen to engage in the labor of his choice.

Mr. President, that is Republican policy.

The right of every citizen to engage in the labor of his choice is in direct conflict with the majority report of the so-called Randall Commission, which would forfeit many vital and historic American industries to the greed or avarice of foreign powers, some of which have not even demonstrated they are friendly.

It is a Republican policy that the Tariff Commission be brought back to its proper relationship with Congress, an agent of Congress, and cease to be a tool of the executive branch under any administration.

The Tariff Commission is an agent of Congress. Its function is to adjust the duties and tariffs on the basis of fair and reasonable competition, in the same manner that the Interstate Commerce Commission is commissioned by Congress as its agent to determine freight rates on the basis of a reasonable return on investment.

END FREE-TRADE HYPOCRISY

Mr. President, adequate flexible tariffs must be restored and maintained for our own economic welfare.

We must divorce ourselves from GATT, in which we, the richest nation on the globe in both natural and industrial resources, have but 1 vote out of 50 or 60 participating nations.

We have 1 vote among 50 or 60 nations which are all trying to get a piece of the United States of America because it furnishes the only rich market in the world, which has been developed to that extent through our own efforts over 175 years.

Mr. President, the Trade Agreements Act, with all its hypocrisies and favored-nation clauses, its contempt of American sovereignty, and its discriminations against American industries, American investors, and American working men and women, must be permitted to die unmourned on June 12.

The Republican foreign-trade policy, which the Republican Party pledged in the 1952 campaign and for which the American people voted when they voted for a change, must be carried out if we are to deserve the honored name of Republican.

When that is done, Mr. President—and I am convinced it will be done—people over the Nation no longer will need to ask: "What is the Republican foreign-trade policy?"

THREE BRANCHES OF GOVERNMENT

Mr. President, I should like to say at this point that the Constitution of the United States provided 3 branches of government; not 1, not 2, but 3, independent of each other, as checks and balances, as the congressional debates at that time indicate. What were those departments of government, those three separate branches set up as balances and checks in the Constitution of the United States? They were, Mr. President, an executive branch to carry out and make effective the legislation passed by the legislative branch. A legislative branch, which is entirely free and independent of the executive branch, to pass the legislation. A judicial branch, entirely free from both branches, to determine the constitutionality of the acts of both the executive and legislative branches.

Mr. President, for the past 22 years we have had one branch and that is not in accord with the spirit of the Constitution. That is what the fight on the Senate floor today involves, Mr. President. It is not a fight for or against the President of the United States, nor was it a fight for or against Mr. Truman when he was President of the United States. Our President, Mr. Eisenhower, is one of the finest men in the world. The fight on the Senate floor involves whether the Congress of the United States has the intestinal fortitude to stand up and again become an independent branch of the Government as set down and outlined by the Constitution of the United States, or whether it shall continue to be a satellite, as it has been for 22 years.

FOUR APPROACHES TO DESTROY THIS NATION

Mr. President, there are four approaches to destroy this Government. They did not start yesterday; they were not set up yesterday; they have been growing for 20 long years. What are they, Mr. President?

First, the political approach, spearheaded by the Alger Hiss crowd, which has been identified as communism. It did not start yesterday. It was begun deliberately by the recognition of Communist Russia in 1933, without any safeguards whatever. Communist Russia was just about to die on the vine, and when it was recognized by this Nation—every veterans' organization in the country cried to high heaven about it, but all they got was the "horselaugh."

What is the second approach, Mr. President? The economic approach. That approach was spearheaded by the Harry Dexter White crowd, placing in the hands of 50 to 60 foreign nations the fate of American workmen and women, through international trade agreements, under the 1934 Trade Agreements Act.

Mr. President, the Trade Agreements Act will expire on June 12 of this year, after having been extended from 1934, 3 years each time, to 1952. We then cut the extension to 2 years, and, last year, to 1 year.

This year, Mr. President, when it expires on June 12, nothing is disturbed. The constitutional responsibility as outlined in article I, section 8, of the Constitution, is again in effect. The setting of duties, imports, and excises—tariffs—automatically reverts to the Tariff Commission, an agent of the Congress, to fix such flexible duties on a basis of fair and reasonable competition. Section 8, article I, of the Constitution provides specifically that the Congress of the United States shall fix the duties, imports, and excises, to which we now refer as tariffs and import fees, and it also provides that Congress shall regulate foreign trade. There is a serious question, Mr. President, of the constitutionality of any act that Congress may pass, and which it did pass, to transfer a constitutional responsibility of that body to another branch of the Government.

Mr. Dean Acheson and Mr. Willard Thorp testified before congressional committees many times that it is impossible to separate the domestic economy from our foreign policy. However, Mr. President, the Constitution of the United States pointedly separated the domestic economy from the foreign policy. It placed the foreign policy in the hands of the executive branch, and the domestic economy in the hands of the legislative branch, and only the act which I have just described tied them together. So long as that act is in full force and effect, of course, Mr. Acheson and Mr. Thorp were exactly right. It is impossible to separate the domestic economy from foreign policy.

In 1934, the Congress of the United States, at the instigation of a strong-minded President who prevailed upon the weak Congress, tied the domestic economy and the foreign policy of the United States together through the passage of the Trade Agreements Act, named the Reciprocal Trade Act, to sell free trade to the American people.

I would invite attention to the fact that the words "reciprocal trade" do not occur in the 1934 Trade Agreements Act. It was never reciprocal, never intended to be, and never can be because we cannot control the actions of foreign nations after such agreements are signed.

Mr. President, the constitutional approach is the third approach to destroy our independence of action, through a continued whittling away of that document through executive agreements and other methods. The Bricker amendment was an earnest attempt to protect the Constitution and the Bill of Rights from this continual tinkering without consulting the people of this Nation in the regular manner.

The taxation approach is the fourth method of destroying our competitive position in the markets of the world.

It also is water on the wheel of retarding our production in favor of imported goods from the sweatshop labor nations.

Mr. President, again I say that if this Congress will stand on its own feet and become, again, a separate branch of the Government as constituted and set up in the Constitution of the United States, in the matter of the regulation of foreign trade and in adjusting the duties

or tariffs on the basis of fair and reasonable competition, there will be no question as to the Republican principles.

THE EISENHOWER TAX PROGRAM

Mr. MORSE. Mr. President, as the representative of the Independent Party, I wish to make a very brief reply to the President's radio and television broadcast of last night on the tax program. I understand that representatives of the Democratic Party will make a reply tonight, over the radio and television. But, as the representative of the Independent Party, I am perfectly satisfied to speak from my desk on the floor of the Senate, in replying to the President's speech.

Last night the President of the United States attempted to tell the people of this country that the Republican administration had done wonders in reducing expenses, thereby making possible tax cuts which already have gone into effect. He tried to justify a discriminatory Republican-tax program by an appeal to the highest motives of the people.

Mr. President, the President's message does not stand up under analysis. The claims made do not square with the facts. The President's proposals would not serve the best interests of the economy. They merely follow the giveaway pattern which has become the hallmark of the Eisenhower administration.

Let us take the claims first.

The President said:

Now, to reduce taxes, we had to find some way of saving money, for despite many years of heavy taxation, our Government has been running deeper and deeper into debt. A year ago this administration inherited a budget calling for a spending program that we have since reduced by \$12 billion. Of this total saving, \$7 billion is being made this year.

Mr. President, it is no secret that such an inflated claim is based upon the Truman recommended budget for fiscal 1954, which totaled \$66.3 billion. President Eisenhower's budget recommendations were lower. But the President apparently did not seem to believe it pertinent to point out—either last night or in his state of the Union message—that Congress cut the Eisenhower recommendations from \$56.8 billion to \$53.4 billion.

The claim of great savings is based on the supposition that a President's recommended budget approximates congressional appropriations. The President knows—or should know—that the recommended budget is the asking price. To use the highest possible figure in the Truman budget recommendations is to engage in political propaganda.

EISENHOWER SPENDING AT CLOSE TO TRUMAN RATE

Let us examine the President's own budget figures, to test this political claim of economy and accomplishment.

Mr. President, the document entitled "The Budget for Fiscal Year 1955" contains some fascinating figures. I have the document before me at this time. What does it show? On page A-8 it shows that actual 1953 gross expenditures were \$83,499,000,000. What is the

Eisenhower estimate—not mine, but the President's—for actual gross spending in fiscal 1954? It is \$82,895,000,000.

I now ask unanimous consent to have inserted at this point in the RECORD, as a part of my remarks, table 4 of the

budget message, which sets forth in detailed breakdown the summary figure I have just used.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 4.—Summary of budget expenditures by agency, based on existing and proposed legislation

[In millions]

Agency	1953 actual	1954 estimate			1955 estimate		
		Under authorizations already enacted	Proposed for later transmission	Total	Under authorizations enacted or recommended in this document	Proposed for later transmission	Total
Legislative branch.....	\$61	\$63		\$63	\$66		\$66
The Judiciary.....	27	29	(1)	29	29	\$1	30
Executive Office of the President.....	9	10		10	9		9
Funds appropriated to the President:							
Mutual security.....	1,699	1,264		1,264	661	300	961
Other.....	432	620	\$1	621	661	(1)	661
Independent offices:							
Atomic Energy Commission.....	1,791	2,200		2,200	2,425		2,425
Civil Service Commission.....	346	51		51	48		48
Economic Stabilization Agency.....	64	2		2			
Export-Import Bank of Washington.....	553	549		549	474		474
Federal Civil Defense Administration.....	77	74		74	67		67
Railroad Retirement Board.....	33	35		35			
Reconstruction Finance Corporation.....	516	549		549	474		474
Tennessee Valley Authority.....	516	549		549	474		474
Veterans' Administration.....	4,384	4,033	218	4,251	4,235		4,235
Other.....	2,154	2,326	(1)	2,326	2,496	(1)	2,496
General Services Administration.....	1,108	939		939	753		753
Housing and Home Finance Agency.....	1,894	2,095	11	2,106	1,709	3	1,712
Department of Agriculture.....	4,710	6,362	3	6,365	4,757	3	4,760
Department of Commerce.....	1,198	1,064	85	1,149	1,028		1,028
Department of Defense—Military Functions.....	47,565	45,750		45,750	41,050	800	41,850
Department of Defense—Civil Functions.....	945	736	1	737	643	11	654
Department of Health, Education, and Welfare.....	1,920	1,892	59	1,951	1,660	129	1,789
Department of the Interior.....	623	582	1	583	554	8	562
Department of Justice.....	171	184	(1)	184	176	(1)	176
Department of Labor.....	303	301	(1)	301	315	47	362
Post Office Department.....	2,775	2,774		2,774	2,775		2,775
Department of State.....	271	159		159	144	70	214
Treasury Department.....	7,542	7,609	7	7,616	7,650	3	7,653
District of Columbia (general fund).....	12	16		16	20	15	35
Reserve for contingencies.....			75	75		150	150
Total budget expenditures.....	83,409	82,434	461	82,895	75,115	1,540	76,655
Deduct:							
Applicable receipts ¹	9,225	11,993		11,993	10,845	240	11,085
Adjustment to daily Treasury statement basis.....	292						
Net budget expenditures.....	73,982	70,441	461	70,902	64,270	1,300	65,570

¹ Less than 1/2 million.

² Deduct, proposed postal rate increase.

³ Receipts of certain Government corporations, the postal service, and other revolving funds the receipts of which come primarily from outside the Government. These funds are listed in the respective chapters of pt. II as "public enterprise funds."

Mr. MORSE. In other words, the Eisenhower administration's gross expenditures for its first fiscal year in office was all of \$504 million dollars less than the last Truman-approved budget.

Mr. President, I wish to say this is a vital figure, because, unfortunately, the Eisenhower administration has succeeded, I am afraid, in giving millions of the American people the impression that its savings are much greater than they actually have been. But President Eisenhower's own budget message does not bear him out when it comes to the matter of the savings in expenditures of his administration during its first year in office.

There are other interesting features to this budget summary. The net expenditures for fiscal 1953 were 73.9 billion, and were 70.9 billion for 1954. Those figures, which come from President Eisenhower's own budget figures, would seem to make the Eisenhower administration an economy administration to the tune of \$3 billion. Of course, that is a great deal of money, even if it does not amount to the \$7 billion claimed last night by the President in his speech. However, let us examine the alleged saving of \$3 billion as shown by the President's budget message.

The \$3 billion "saved"—and, Mr. President, I point out that I use the word "saved" in quotation marks—is almost completely the result of the deductions made for applicable receipts. These receipts were \$2,768,000,000 higher in 1954 than in 1953. These are so-called public-enterprise funds.

Table 9, on page A-16 of the budget, gives the breakdown of the applicable receipts of these public-enterprise funds. Also see pages 258 and 326 of the President's budget message.

Mr. President, I now ask unanimous consent to have table 9 of the President's budget message printed at this point in the RECORD, as a part of my remarks. It appears on page A-16 of the message.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 9.—Applicable receipts of public enterprise funds and their effect on budget expenditures, by function and agency, based on existing and proposed legislation

	1953			1954			1955		
	Gross budget expenditures	Applicable receipts	Net budget expenditures	Gross budget expenditures	Applicable receipts	Net budget expenditures	Gross budget expenditures	Applicable receipts	Net budget expenditures
BY FUNCTION									
National security.....	\$50,274,508,781	\$483,382	\$50,274,025,399	\$48,720,477,000	\$450,000	\$48,720,027,000	\$44,860,415,500	\$407,500	\$44,860,008,000
Veterans' services and benefits.....	4,326,961,338	28,761,122	4,298,200,216	4,190,235,728	30,074,565	4,160,161,163	4,222,617,412	30,206,910	4,192,410,502
International affairs and finance.....	2,656,217,006	440,174,589	2,216,042,417	2,248,944,002	469,460,024	1,779,483,978	1,884,979,640	634,933,301	1,250,046,339
Social security, welfare, and health.....	1,910,011,685	218,326	1,909,793,359	1,946,852,692	225,416	1,946,627,276	1,806,827,373	221,750	1,806,605,623
Housing and community development.....	2,117,879,955	1,569,020,735	548,859,220	2,357,245,049	2,299,757,789	57,487,260	1,903,559,219	2,180,156,299	276,597,080
Education and general research.....	277,036,729		277,036,729	277,720,206		277,720,206	222,662,018		222,662,018
Agriculture and agricultural resources.....	6,447,809,598	3,511,762,918	2,936,046,680	8,087,275,363	5,432,823,413	2,654,451,950	6,751,631,269	4,385,248,218	2,366,383,051
Natural resources.....	1,498,752,873	140,378,019	1,358,374,854	1,349,187,582	177,231,773	1,171,955,809	1,337,200,415	234,564,700	1,102,635,715
Transportation and communication.....	4,473,786,985	2,397,379,386	2,076,407,599	4,445,719,813	2,590,145,049	1,855,574,764	4,277,163,966	2,858,946,380	1,418,217,586
Finance, commerce, and industry.....	1,204,766,503	1,128,771,619	75,994,884	1,150,922,678	987,014,768	163,907,910	917,131,652	755,492,061	161,639,591
Labor and manpower.....	284,319,981	3,046,049	281,273,932	267,230,816	2,015,823	265,214,993	282,121,036	1,248,000	280,873,036
General government.....	1,444,044,074	4,985,366	1,439,058,708	1,178,270,474	3,515,918	1,174,754,556	1,163,695,361	3,705,798	1,159,989,563
Interest.....	6,583,143,487		6,583,143,487	6,600,095,425		6,600,095,425	6,875,265,425		6,875,265,425
Reserve for contingencies.....				75,000,000		75,000,000	150,000,000		150,000,000
Adjustment to daily Treasury statement basis.....	-291,922,457		-291,922,457						
Total.....	83,207,316,538	9,224,981,511	73,982,335,027	82,895,176,828	11,992,714,538	70,902,462,290	76,655,270,286	11,085,130,917	65,570,139,369

Mr. MORSE. Mr. President, the two major increases from fiscal 1953 to fiscal 1954 are under the headings of "Housing and community development" and "Agriculture and agricultural resources."

There was an increase in housing and community development applicable receipts, amounting to almost \$800 million—from \$1.5 billion to \$2.3 billion. For agriculture, the increase was \$1.9 billion—or a total for the two of \$2.7 billion, which amounts to almost all of the \$3 billion difference between the net expenditures for fiscal 1953 and those for the fiscal 1954. That increase explains almost the entire alleged "savings" of the Eisenhower administration, because, while the "savings" claimed last night by the President in the course of his speech amount to \$7 billion, on the basis of his own budget message, we find that the savings amount to only \$3 billion, and \$2,700,000,000 of that amount is accounted for by the increase in receipts by the Federal Treasury.

Deep in the explanatory analysis of the budget—see page 1131—is the explanation for what has been claimed as a lower deficit for fiscal 1954:

In 1954 and 1955 repayments will be \$1.5 billion and \$1.8 billion, respectively, above the 1953 level. Primarily as a result of this, receipts of all major credit programs will for the first time in many years exceed gross expenditures and thus contribute materially to the reduction in total net budget expenditures. This substantial change reflects primarily increased repayments to the Commodity Credit Corporation (including commodities acquired in satisfaction of loans) and increased sales of mortgages by the Federal National Mortgage Association.

Mr. President, these figures include those for crops surrendered by farmers in default of loan repayments during fiscal 1954, in the estimated amount of \$967 million, which was \$183 million greater than in fiscal 1953. Over the same period, loan repayments by farmers increased by \$570 million.

To sum up, the Eisenhower administration is spending at about the same rate as under the last Truman budget. The supposedly lower deficit for 1954 is almost completely attributable to higher current receipts under the FNMA, or the so-called Fannie Mae, and the Commodity Credit Corporation programs.

Yet, Mr. President, those who listened to the President's speech last night, and who have not taken time to analyze his own budget message, would get the idea that the Eisenhower administration is spending much less than was spent under the last Truman budget. However, that simply is not so.

I say most respectfully that, in my judgment, the head of this administration owes it to the American people to explain fully the figures he uses when he makes such a speech as was made last night, and not to mislead the American people into the false belief that this administration has spent many billions of dollars less than did the Truman administration. All we have to do is to take the President's budget message to get the proof to the contrary.

The President itemized some of the costs of Government which must be paid for by taxes, he said, and which require lower-income families, he said, to fore-

go tax exemptions at this time. He included the social-security program, which is an insurance program which pays its own way. He included unemployment insurance, which is paid for by Federal Insurance Contributions Act payroll taxes. He included the administration of the Taft-Hartley Act, which costs about \$9 million a year, possibly the least costly of any Federal program of like size and operation.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. DOUGLAS. Would not the Senator from Oregon say that governmental expenditures in connection with the Taft-Hartley Act are of dubious benefit to the people of the United States?

Mr. MORSE. Certainly on the basis of the present wording of the act, I think they are a liability to the people of the country, and should not be placed in the asset column in any evaluation.

These are only instances of oversimplification and misdirected arguments which characterized the President's appeal last night. Tax relief may be justified on the ground that the administration anticipates a reduction in gross budget expenditures of \$6 billion in the fiscal year 1955. However, if the wrong kind of tax relief is enacted and the growing rise in unemployment is not halted, a large increase in Federal Government expenditures in the fiscal year 1955 may be required. This will come about in part because Federal contributions to the States for assistance payments increase as unemployment rises. In part it will reflect larger price-support outlays.

Finally, we have the President's pledge that every resource of the Federal Government will be used to halt a depression.

About 1 year ago—on March 13, 1953, to be exact—the Independent Party, in one of its weekly reports to the country, said on the floor of the Senate:

From 1949 to 1952 in a 3-year period total tax receipts nearly doubled after having been increased fourfold in the previous decade. State and local taxes rose by one-fourth, but accounted for only one-ninth of the total rise. The remainder of the rise, or eight-ninths of the \$46 billion increase was Federal. These tax receipts, after rising nearly sixfold in the 1939-49 decade, almost doubled again in the next 3 years. Taxation on this rising scale cannot avoid having important economic consequences both for the national economy and for the individuals who must bear its burden.

I thought it was clear a year ago that we could not continue the greatly swollen tax structure, particularly with its effect on the purchasing-consuming classes of America, and not run into employment difficulty. I so indicated in that report on March 13 of last year.

I then noted in that report that the value of personal exemptions had deteriorated substantially since 1939, as a result of outright reductions and a rise in living costs.

The result, I stated, has been that the current exemption provided by law, "\$2,400 for a family of 4, is \$1,379, or 36 percent, less than the amount needed for a modest but adequate level of living, as estimated by the United States Department of Labor."

The tax savings already granted by the automatic January 1, 1954, tax reduction went primarily to corporations and higher bracket taxpayers. The elimination of the excess-profits tax saved the most profitable corporations approximately \$2 billion. A family of 4 persons with a gross income of \$3,550 or below received no benefit from the January 1 across-the-board tax cut, because the increase in the social-security payroll tax canceled out the tiny personal income-tax reduction which they received.

Let us look at the record. The representative of the Independent Party is always willing to refer to his record in the Senate. I have pointed out before that the so-called tax savings which went into effect January 1, 1954, were not the result of any legislation passed by a Republican administration. The Eisenhower administration had not one single thing to do with a single dollar of tax saving that went into effect January 1, 1954. Yet if we listen to the spokesmen of the Republican Party, including the President, we get the implication that the tax savings of January 1, 1954, have been brought about by the Eisenhower administration. That is not so. It was the result of legislation enacted during the Truman administration.

The representative of the Independent Party is proud to stand on the floor of the Senate this afternoon and point out that under that Democratic administration he raised some objections to the tax proposals of the Democratic administration because, as he pointed out in that debate, the Truman tax-saving program was not affording to the low-income groups the tax-saving benefits they ought to have. The representative of the Independent Party, then a Republican, pleaded on the floor of the Senate that more favorable consideration be accorded the people in the low-income brackets. He pointed out in that debate, as he points out again today in this debate, that in the absence of consumer-purchasing power it does no good to increase the productive capacity of the factories of America.

He pointed out in that debate, as he points out in the debate this afternoon, that unless we establish adequate consumer purchasing power—and we do not have it today to the extent that we need, with inventories overloaded and people following a contracted and restricted purchasing policy—it is perfectly absurd to expect that any tax saving we give the big taxpayers will go into investments to increase the productive power of already existing plants, or into potential new plants. They are going to freeze their tax savings. They are going to hold the money they save from tax reductions. They are going to save it. They are not going to spend it as will the people in the low-income brackets.

As the distinguished Senator from Georgia [Mr. GEORGE] pointed out in a brilliant speech earlier this afternoon, that has been the record. Whenever we have the economic phenomenon which now exists in America, of overloaded inventories and contracting purchasing power on the part of the consumers, investors do not invest in new production. They would be silly to do so. As I

pointed out in my colloquy with the Senator from Georgia today, by holding the line, by operating the steel industry at 60 or 70 percent of capacity, for example, they can make more money, until there is a demand for more goods and an ability to buy them, in the form of purchasing power.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from Illinois.

Mr. DOUGLAS. Does the mind of the Senator from Oregon go back to the year 1930, the first year after the great debacle of October 1929? In that year, as I remember, deposits in savings banks increased at a tremendous rate. A part of this increase was represented by the transfer of deposits from ordinary banks into savings banks, but another part represented a great addition in new savings, because people were afraid of the future and wanted to accumulate their own reserves. But what was happening to actual investments in industry during 1930? Were they not decreasing?

Mr. MORSE. The interesting thing is that during that entire period many corporations in industry continued to pay dividends, when people were hungry, when millions were out of work. The report which I put in the *Record* some 2 or 3 weeks ago, based upon the analysis in Barron's, showed a very interesting fact, namely, that when tax relief is given to those in the so-called upper brackets, they not only freeze their savings, but the large corporations continue to pay dividends upon their stock.

Mr. DOUGLAS. The Senator from Illinois had reference not so much to dividends, but to the fact that, while savings in savings banks and in other financial institutions increased, business did not invest in new plants, because business had a large percentage of idle capacity, and therefore, in effect, what happened was that the increased savings lay sterile in the banks and did not build up monetary purchasing power, production, or employment.

Mr. MORSE. Mr. President, the Senator from Illinois, brilliant economist that he is, knows that the economic journals of those days were filled with articles under such titles as "Unfreezing Frozen Assets in Banks."

That is what happens, Mr. President. The tendency is to solidify the savings and to freeze them. The savings are taken out of circulation and not used for production, because there is not available in the great consuming classes of America the required purchasing power with which to buy the goods which would be produced by the factories.

So the Senator from Illinois is correct with respect to what he says happened during the period of the great depression. If we follow the economic charts for that period we find a contracting all the way along the line, not only of the purchasing power of the consumers of America, but also of investments in new production, resulting really in what the Senator from Illinois has called sterilization and what I shall term frozen blocks of savings, which had to be unfrozen if we were to have a revival of production.

But first we had to do—what? First we had to increase the purchasing power of the American consumers. A large part of the legislation of the New Deal was aimed to bring that about. It was not until we increased the purchasing power by increasing the employment of the mass of American workers that we started the program of curing the effects of the depression.

Mr. DOUGLAS. Mr. President, will the Senator yield further?

Mr. MORSE. I yield.

Mr. DOUGLAS. Is it not correct to say that although the tax advisers to the President undoubtedly had good motives, they fell into a bad logical error in believing, because they would increase savings by their tax policies, that thus automatically they would increase investments? In fact, they use savings and investments as identical terms, do they not?

Mr. MORSE. I believe that is an economic fallacy. I am glad the Senator from Illinois points it out in the course of my remarks today, because it is one of the points on which I bottom my opposition to the Eisenhower tax program and the basis on which I build my support of the George program.

As I pointed out a year ago:

It has long been common practice to praise exemptions with reference to the maintenance of an essential minimum standard of living. According to the Treasury Department's 1947 study, Individual Income Tax Exemption, Division of Tax Research, Treasury Department, December 1947:

This viewpoint appears as far back as the beginning of the Federal income tax during the Civil War period. The then Commissioner of Internal Revenue stated with reference to the \$600 personal exemption provided under the 1864 law:

"It was, of course, the purpose of the law to exempt so much of one's income as was demanded by his actual necessities." (Report of the Commissioner of Internal Revenue, 1866, pt. XXIII, p. 3.)

"In other words, the tax principle or policy which was originally adopted to apply to this problem was one of exempting the amount necessary to enable the individual to provide himself with what were considered to be the absolute necessities."

President Eisenhower in his speech indicated that if a \$1,000 personal individual income-tax exemption is approved, one-third of the taxpayers will be removed from the tax rolls. Actually, the figures are that if a \$1,000 exemption is approved, 15 million taxpayers will be removed from the tax rolls at a total loss in revenue of \$8 billion. If the \$800 exemption is approved, 7 million taxpayers will be removed at a cost of \$4½ billion. The \$700 exemption proposal, which is the one actually to be voted on in the House on Thursday, means that 4 million taxpayers will be removed at a cost of \$2.4 billion.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from Illinois.

Mr. DOUGLAS. Did it not seem to the Senator from Oregon that the tax advisers to the President were somewhat disingenuous when they constantly spoke about the \$1,000 personal exemp-

tion? So far as I know no one advocates a \$1,000 personal exemption at this time.

So far as I am aware, the highest exemption proposed, and the greatest increase in exemptions, is in the proposal of the Senator from Georgia [Mr. GEORGE] for a \$200 increase, to a total of \$800. While there is a subordinate clause in the proposal of the Senator from Georgia, increasing the exemption limit to \$1,000 next year, it is not intended for this year, and I am quite certain that it is not an essential part of his proposal, and, indeed, could be omitted from it.

Mr. MORSE. As usual, the Senator from Illinois, with great dignity and delicacy has properly characterized the strategy of the tax advisers to the President, when he asks me the question if I did not think they were just a little disingenuous.

I am not quite so delicate as is the Senator from Illinois. I believe they were guilty of designed political propaganda, and they created a fear argument in the mind of the American people. It is regrettable that such an argument should be used in a speech by the President of the United States.

Mr. DOUGLAS. Of course, the Senator from Oregon does not believe, does he, that the President did it? I am sure it was not the intention of the President to do this. I believe however, that the tax advisers to the President were less than frank.

Mr. MORSE. All I can say is that the President read the speech. One can draw one's own conclusions as to motivation and intent. I would want to believe that the President knew what he was reading. If he knew what he was reading, he is a party to the propaganda.

An examination of the income levels of the actual people who would be removed under the three alternative personal exemption figures indicates that if the \$1,000 exemption is approved, a married worker with two children would have \$4,444 tax free. This is about \$2,000 less than the value of his 1939 exemption at today's prices.

After all, as was pointed out by the Senator from Georgia [Mr. GEORGE] and by the Senator from Illinois [Mr. DOUGLAS] earlier this afternoon in the debate, it is what a person has left with which to buy the goods that really counts.

The following table shows the income that would be exempt from taxes for a single person, a married couple, a married couple and 1 child, and a married couple with 2 children, if the exemptions of \$700, \$800, or \$1,000 were approved:

Income exempt from taxes at \$700, \$800, \$1,000 exemption levels, by size of taxpayer family

Exemption	Single	Married	Married with 1 dependent	Married with 2 dependents
\$700.....	\$777	\$1,555	\$2,333	\$3,111
\$800.....	888	1,777	2,666	3,555
\$1,000.....	1,111	2,222	3,333	4,444

President Eisenhower, in his speech, said, "I am for everybody paying his fair share."

A sound, progressive income tax is one that is based upon the ability to pay. The lower the income, the lower the tax; the higher the income, the higher the tax. I know that an important objective of the NAM is to remove progressivity from the Federal tax structure. I am opposed to this reactionary proposal.

The question is, at what point should an individual be subject to individual income tax in a progressive tax structure? I do not think it unreasonable to suggest that a married couple with two dependents should have the first \$4,444 of his income exempt from taxation under a sound progressive tax structure.

Mr. LONG. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. LONG. Is the Senator from Oregon now quoting from the speech of the distinguished Senator from Georgia?

Mr. MORSE. No; I am making my own argument at this point. The RECORD will speak for itself. Earlier this afternoon there was a colloquy, after the brilliant address of the Senator from Georgia, involving the Senator from Georgia, the Senator from Illinois, and the Senator from Oregon. It will be found in the RECORD tomorrow that the Senator from Georgia does not disagree with my argument.

Mr. LONG. I suppose the Senator from Oregon is aware of the fact that his argument is in direct conflict with the argument made by the President of the United States last night when he suggested that there was something very wrong with any tax exemption for any large number of the American people.

Mr. MORSE. I have done my best to make clear that I share very little of the economic point of view expressed by the President last night with regard to taxes.

Mr. LONG. As a matter of fact, it seems to me that a family of 4, with a \$4,000 income, has not received any tax relief. There has been approximately \$5 billion of tax relief this year. There was \$2 billion of tax relief for corporations when the excess-profits tax expired. There was \$3 billion of tax relief when the last increase in income tax expired. However, that did not do the workingman any good, because at the time the income tax went back to previous levels, the social-security tax was increased, so that if a man was making \$3,500, he actually paid more than he was previously paying. If he made anything less than that amount, he paid more than he was paying when the reduction went into effect.

Mr. MORSE. The President did not mention that; he did not say a word about that; he did not point out that his tax proposal, in effect, would result in unfairness to persons in the low-income brackets.

Mr. LONG. As a matter of fact, I have given some study to it since last night, and I find that a man who had been making \$50,000 a year would now be receiving approximately \$2,000 of additional income, whereas a person making \$3,500 a year would now be paying more than he previously was paying.

Mr. MORSE. I am glad to have the Senator's reinforcement of my argument.

Mr. LONG. What concerns some of us is the fact that a man making \$50,000 a year and who will have \$2,000 more is not likely to spend that additional money. He already has as many things as he has need for. But a man earning \$3,500 would certainly spend his additional income if he were given a tax saving.

Mr. MORSE. That is also a part of my thesis.

Mr. LONG. If there is any validity to the argument that a tax reduction will increase employment, we should see some results already, because there has been tax relief amounting to \$5 billion, and I do not see that there has been any particular benefit so far as increased employment is concerned. Unemployment has been increasing approximately 500,000 a month.

Mr. MORSE. The Senator from Georgia pointed out in his speech that what we are seeing is that some of the great companies which have enjoyed some tax benefits are curtailing their operations. They are not running now as near to full capacity as they were a year ago. In other words, the tax benefits they have already received have not resulted in an increase in their productive capacity.

Mr. LONG. The point is that they are not going to reinvest money unless there is an increased market for their products, and there is so little purchasing power in the hands of the masses today that they cannot buy the commodities which are being produced.

Mr. MORSE. The Senator from Louisiana is correct. I thank him.

Mr. DOUGLAS. Mr. President, will the Senator from Oregon yield further?

Mr. MORSE. I yield.

Mr. DOUGLAS. The Senator from Louisiana has made a very able argument. It is sometimes said that whatever is saved is spent, and that savings are built up to the same degree as are expenditures on consumption. I have been trying to emphasize the fact that this is true only if the amounts which are saved are actually invested.

Mr. MORSE. That is correct.

Mr. DOUGLAS. And if there is a gap between savings and investments there is a sterilization or freezing of purchasing power.

Mr. MORSE. It is the time element that I want to stress. Eventually, most of the savings, if the time bracket is spread out long enough, will find their way into some kind of an investment, but when we are confronted with a situation which calls upon us to stop a growing economic disjuncture, or recession, or whatever we want to call it, a long timelag is not going to help the unemployment problem, because, during the timelag, the average saver is not going to invest until he can see developed the purchasing power to buy his product.

Mr. DOUGLAS. Therefore, was not one of the great logical fallacies of the President's statement the assumption that what might be advisable as a long-run policy and what might be true over a period of years is not true in the present situation?

Mr. MORSE. I think that is one of the major fallacies of the President's speech.

Mr. LONG. Mr. President, will the Senator from Oregon yield further?

Mr. MORSE. I yield.

Mr. LONG. Does it not stand to reason that no company is going to establish a new automobile plant when the present plants cannot sell the automobiles which they have already produced?

Mr. MORSE. As an interesting example, a used-car dealer talked to me the other night in regard to some of the problems confronting the automobile industry. He told me the dealers were very much concerned. They hope things will get better in the coming year. But he said that some dealers in new cars are actually taking such cars to used-car dealers and turning them over at a substantial loss to themselves because they are willing to take the gamble that maybe conditions will change so that there will be a greater demand for new cars within a year, and they will be able to keep the allotment they now have. This man said to me, "I think they are silly, because I simply cannot see a good market for new cars and for used cars in the immediate future, in view of the lack of demand on the part of buyers which exists today."

I am not generalizing from that one instance, but it is interesting that a used-car dealer is running into that kind of a problem right here in the District of Columbia.

Mr. LONG. Is the Senator aware of the fact that the only automobile producer increasing production is the Cadillac Co.?

Mr. MORSE. I am not surprised. I wish to say, facetiously and good naturedly, that I would not be surprised if the General Motors Co. might receive some benefits from the tax savings in the higher brackets by the increased sale of Cadillacs, because I assume that for some time the Cadillac crusade will continue to roll. This administration provides a very favorable political climate for those who can afford to buy Cadillacs.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. DOUGLAS. Has the Senator from Oregon read one of the leading articles in the Wall Street Journal of yesterday, which pointed out that the index of the Engineering News-Record showed a fall of 38 percent in the money volume of heavy engineering and heavy construction contracts for the first 10 weeks of 1954 as compared with the first 10 weeks of 1953?

Mr. MORSE. No, I had not been aware of that.

Mr. DOUGLAS. The information was published in the Wall Street Journal. If the Senator wishes, I shall be glad to place it in the RECORD at the end of his remarks.

Mr. MORSE. I should like to have it appear at the end of my remarks, because it is certainly some evidence of the thesis I am presenting this afternoon.

Mr. DOUGLAS. While it is true that the index of F. W. Dodge shows an increase in building contracts, it apparently includes home construction, which is being stimulated by the FHA. But so far as the index relates to heavy construction, which would be more in the nature of industrial capital equipment, there is a falling off of approximately 33 percent.

Mr. MORSE. I thank the Senator from Illinois for presenting this material to be added to the proof of my argument this afternoon. To buttress what he has just said, I have pointed out earlier that the information which has reached me from large contractors of the United States is that the heavy construction industry of the country is in the doldrums.

Some weeks ago, on the floor of the Senate, I said I did not feel I had any right to criticize the Eisenhower program unless I was willing to suggest a constructive proposal to remedy the defects I was criticizing. So I suggested a substantial public-works program to help give a stimulus to the heavy-construction industry, and to aid in bringing an end to the growing unemployment. The figures which the Senator from Illinois has offered simply bear out the information I had already obtained.

President Eisenhower's remarks of last night suggest that he is unaware of the terrific indirect tax burden which is borne by the great many of our lower-income families.

An article in the March 1952 issue of the National Tax Journal, stated:

Taxpayers in income brackets which are either exempt from the Federal income tax, or which pay only a low effective rate, carry such a heavy relative load in indirect taxes, real-estate taxes, and payroll taxes (if these are included) that the progressivity of income taxes is largely offset, as far as the lower and middle brackets are concerned.

When we hear the President argue that all of our people be required to pay their fair share of taxes through an income tax, I respectfully say that I think President Eisenhower ought to give some study to the effect of the indirect taxes on low-income groups. He should make such a study before he reaches his conclusion as to whether or not they are not already paying their fair share, separate and distinct from any income tax.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. DOUGLAS. Of course, social security taxes do not apply to that portion of a worker's earnings which are in excess of \$300 a month, so that tax is regressive.

Mr. MORSE. That is correct.

Mr. DOUGLAS. Namely the average percentage paid out in taxes diminishes as income increases. Increments of income over \$3,600 a year pay no social security taxes.

Mr. MORSE. That is correct.

Mr. DOUGLAS. Is it not true that the State sales taxes are regressive?

Mr. MORSE. They are regressive. That is why I have fought them in my own State; and to date the people of Oregon have succeeded, in every refer-

endum that has been held in defeating a regressive sales tax.

Mr. DOUGLAS. The sales tax falls on food, clothing, drug items, furniture, and the like, but it does not fall on personal services, on rent, or on savings.

Mr. MORSE. That is correct.

Mr. DOUGLAS. As income increases, the proportion of a person's income which is spent for food, clothing, furniture, and so forth, diminishes, while the proportion which is spent for savings and for services increases.

Mr. MORSE. That is correct.

Mr. DOUGLAS. So as the income goes up, a smaller and smaller increment is devoted to commodities upon which a State sales tax is paid.

Mr. MORSE. That is true.

Mr. DOUGLAS. That means that the lower income groups spend a larger fraction of their income upon State sales taxes than do the upper income groups.

Mr. MORSE. That is one of the reasons why I think the sales tax is probably the cruellest and most unfair of all taxes.

Mr. DOUGLAS. Is it not also true, in connection with Federal excise taxes, such as the cigarette tax, for example, that a person earning \$100,000 a year will not smoke 50 times as many cigarettes as will a person earning \$2,000 a year?

Mr. MORSE. That is correct.

Mr. DOUGLAS. If we consider the field of real estate taxation, has it not been the experience of the Senator from Oregon that, on the whole, the homes of working men are assessed at a much higher percentage of their market value than are the homes of the well to do or the property of industrial corporations?

Mr. MORSE. Every report I have read on real estate taxation policies bears out the statement of the Senator from Illinois, when such reports have been written by tax experts.

Mr. DOUGLAS. Would the Senator from Oregon be interested in an illustration of which I have learned in an Illinois industrial city, and which I believe to be correct?

Mr. MORSE. I should be glad to hear of it.

Mr. DOUGLAS. I cannot vouch for its authenticity, but I believe it to be correct. I am informed that in a certain Illinois city the homes of workingmen are assessed at virtually 100 percent of market value. There is today in that city a large industrial plant, which is the only plant possessed by a given company. The records show that the investment in the plant is approximately \$76 million. As I understand, the plant is carried on the tax rolls at an assessed value of \$1 million.

Mr. MORSE. Of course, if true, it is a gross, rank injustice.

Mr. DOUGLAS. I cannot vouch for the complete authenticity of those figures, but they have been given to me by persons whom I believe to be responsible, and I have every reason to believe the figures to be correct.

Mr. MORSE. I wish to repeat, as bearing out the observation of the Senator from Illinois, that careful studies show that across the Nation as a whole the

low-cost homes of workers are today assessed at a higher rate, as a general rule, than are the homes of the wealthy.

Mr. DOUGLAS. Therefore, what the Senator from Oregon is saying is that the progressive features of the Federal income tax, so far as rates are concerned, serve only in part to offset the regressive nature of State and local taxation, and of many of the Federal excise taxes.

Mr. MORSE. That is a part of the burden of my argument.

Mr. DOUGLAS. If we put the two together, we get something approaching proportionality.

Mr. MORSE. That is correct.

Mr. DOUGLAS. I believe that was the conclusion of Professor Musgrave, of the University of Michigan, in some articles which he published, and also of George Fort Milton, onetime editor of the *Chattanooga News*.

Mr. MORSE. I may say to the Senator from Illinois, who knows the literature in this field as well, probably, as any other economist in the United States, certainly better than any of us in the Senate, that such literature as I have read in this field since 1947, when I introduced my first tax bill during my career in the Senate, a bill which embodied the principles for which I have fought annually ever since, and for which I am fighting again this year, bear out the economic observations which the Senator from Illinois has made in the very pleasant colloquy, from my standpoint at least, in which he and I have just engaged.

President Eisenhower last night did not disclose that there is no general tax cut affecting the mass of American taxpayers in H. R. 8300, which is up for debate in the House tomorrow. The report of the Ways and Means Committee shows that the loss in revenue in the first year would be \$1,397,000,000. Out of this total, some \$862 million goes either to corporations or stockholders. The breakdown is as follows:

Dividends.....	\$240,000,000
Depreciation.....	375,000,000
Carry-back of losses for corporations.....	100,000,000
Income from foreign sources.....	147,000,000

In fact, I think it is important to mention the depreciation allowances, and also to mention, briefly, the treatment which, as a matter of policy, the administration proposes to give to corporations by way of tax amortization certificates.

It is important that some timely consideration be given to the poor people of the United States, persons in the low-income brackets. Some years ago a phrase was coined in a tax debate, which went, as I recall: "The need is for some tax relief for the needy rather than for the greedy." I wish to say that, in my judgment, the Eisenhower tax program, by and large, is a tax relief program for the greedy, but not for the needy.

This \$862 million represents about two-thirds of the total tax relief in the first year. The other one-third of the tax relief goes to special types of taxpayers, that is, to those individuals who have excessive medical expenses, or who are retired, or who hire baby sitters while a widowed mother or father works, or

who have a child in college, or an unusual type of dependent living with them, or who is a widow or widower or a person whose spouse is separated living with his or her children and who heads up a household. If you happen to be one of these fortunate or unfortunate individuals, falling into these categories, you will get some of the other one-third of the tax relief provided for in this bill.

I am all for those relief benefits, Mr. President, but I take the position that the President should not stop with those benefits, and he should give some heed to the need for tax relief to the mass of people in the low-income brackets.

It has been estimated that only 5 percent of the \$1,397,000,000 loss provided in this bill will go to individuals of less than \$5,000 in annual incomes.

When the bill becomes fully effective and fully operative during the third year, the total loss in revenue will be close to \$3.2 billion. More than 80 percent of this or \$2.6 billion will go to the same four categories listed above, that is:

Dividends.....	\$850,000,000
Depreciation.....	1,550,000,000
Carryback of losses for corporations.....	100,000,000
Income from foreign sources.....	147,000,000

The rest of the revenue lost will be distributed in the same way as during the first year of the bill.

As far as the dividend depreciation and loss carryback proposals are concerned, out of our 52 million American families, 92 percent do not own any stock whatsoever. Only 8 percent of American families own stock in publicly held corporations, and out of this 8 percent, 335,000 American families own 80 percent of all the publicly held stock. These are figures from the Survey of Consumer Finances prepared for the Federal Reserve Board by the Survey Research Center at the University of Michigan.

In closing this speech, I wish to say that the representative of the Independent Party joins with the Senator from Georgia [Mr. GEORGE], as he did on the first day the Senator from Georgia announced his tax program. The Independent Party joins with the Senator from Georgia because, in my judgment, the economic facts existing in the life of the American economy today call for the kind of tax relief to the low-income groups suggested by the Senator. A relief which is needed if we are to restore some purchasing power to the consumers of America, if they are to have money with which they can buy from the over-heavy inventories which are not selling in America today.

I have been criticized by reactionaries in my State because for some weeks on the floor of the Senate I have been warning the American people about the growing recession which has been galloping across the country. Time and time again during this session of Congress I have called attention on the floor of the Senate to the unemployment statistics which show that the number of unemployed increased as of last month, as the Wall Street Journal indicates by about 500,000.

I have been criticized because I have referred to soup lines in America. There have been, and there still are, some soup

lines. For that matter every unemployed insurance benefit line is a soup line, since the people are in those lines to get the wherewithal to buy the food which they need for their families, because they do not have employment or purchasing power to buy food.

I am always a little amused at the reactionary editors who are depreciating the Independent Party as a so-called prophet of gloom. They object to my calling the attention of the American people to the realities of the economic situation existing in the country today.

I am glad we had a Democratic administration in the last 20 years which had the vision and the statesmanship to pass the unemployment insurance benefit law, which now insures an orderly procedure for the payment of unemployment benefits, in order to provide money so the heads of families may buy food for their children. It does not change the facts one iota to say that those unemployment insurance benefit lines are not soup lines. The fact is they are orderly soup lines. They are soup lines where men line up for unemployment insurance benefits to enable them to retain their self-respect. In my judgment, laws of that character stand as a great legislative monument to the Roosevelt and Truman administrations. I recommend that the Eisenhower administration try to scale the same heights of statesmanship.

RECESS

Mr. FERGUSON. Mr. President, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 6 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, March 17, 1954, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 16 (legislative day of March 1), 1954:

IN THE ARMY

Maj. Gen. Lemuel Mathewson, O14980, United States Army, for appointment as Director, Joint Staff, Office, Joint Chiefs of Staff, with the rank of lieutenant general and as lieutenant general in the Army of the United States, under the provisions of sections 504 and 515 of the Officer Personnel Act of 1947.

Maj. Gen. Carter Bowler Magruder, O15155, United States Army, for appointment as commanding general, IX Corps, with the rank of lieutenant general and as lieutenant general in the Army of the United States, under the provisions of sections 504 and 515 of the Officer Personnel Act of 1947.

The following named officers for appointment in the Regular Army of the United States to the grades indicated under the provisions of title V of the Officer Personnel Act of 1947:

TO BE MAJOR GENERALS

Maj. Gen. Harry Reichelderfer, O7547, Army of the United States (brigadier general, U. S. Army).

Maj. Gen. Jonathan Lane Holman, O11226, Army of the United States (brigadier general, U. S. Army).

Maj. Gen. George Bittmann Barth, O11241, Army of the United States (brigadier general, U. S. Army).

Maj. Gen. William Shepard Biddle, O15180, Army of the United States (brigadier general, U. S. Army).

TO BE BRIGADIER GENERALS

Maj. Gen. Arthur William Pence, O12042, Army of the United States (colonel, U. S. Army).

Brig. Gen. Orville Ernest Walsh, O12094, Army of the United States (colonel, U. S. Army).

Brig. Gen. Herbert Maury Jones, O12251, Army of the United States (colonel, U. S. Army).

Brig. Gen. Bertram Francis Hayford, O12272, Army of the United States (colonel, U. S. Army).

Brig. Gen. Hobart Hewett, O12328, Army of the United States (colonel, U. S. Army).

Brig. Gen. James Holden Phillips, O12331, Army of the United States (colonel, U. S. Army).

Brig. Gen. Nathaniel Alanson Burnell 2d, O12337, Army of the United States (colonel, U. S. Army).

Brig. Gen. Emmett James Bean, O12381, Army of the United States (colonel, U. S. Army).

Brig. Gen. John Bartlett Hess, O12599, Army of the United States (colonel, U. S. Army).

Brig. Gen. Charles George Holle, O12612, Army of the United States (colonel, U. S. Army).

Maj. Gen. Bernard Linn Robinson, O12652, Army of the United States (colonel, U. S. Army).

CONFIRMATIONS

Executive nominations confirmed by the Senate March 16 (legislative day of March 1), 1954:

UNITED STATES COURT OF CLAIMS

Don N. Laramore, of Indiana, to be judge of the United States Court of Claims.

UNITED STATES ATTORNEYS

Robert Tiekens, of Illinois, to be United States attorney for the northern district of Illinois.

Thomas Ramage Ethridge, of Mississippi, to be United States attorney for the northern district of Mississippi.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 16, 1954

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou who art the light of our minds and the joy of our hearts, may we now be blessed with divine guidance lest we lose our way and wonder in darkness.

May we heed the promptings and persuasions of Thy Spirit as we aspire to achieve that which is noblest and best for ourselves and all mankind.

Endow us with the gifts of spiritual insight and interpretation in our longings to lead groping humanity out of chaos and confusion.

Forgive us if we have a mistaken sense of the value of material things and are tempted to feel that our human problems can be solved on a purely economic basis, for man cannot live by bread alone.

We continue to commend our wounded colleagues to Thy care and keeping, beseeching Thee to share Thy infinite and infallible wisdom with all who are ministering unto them.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 5976. An act to amend section 1 of the Natural Gas Act.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H. J. Res. 461. Joint resolution making an additional appropriation for the Department of Labor for the fiscal year 1954, and for other purposes.

The message also announced that the Senate insists upon its amendment to the foregoing joint resolution; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BRIDGES, Mr. FERGUSON, Mr. CORDON, Mr. HAYDEN, and Mr. RUSSELL to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 79. An act to authorize the Secretary of the Interior to cooperate with the State of Kentucky to acquire non-Federal cave properties within the authorized boundaries of Mammoth Cave National Park in the State of Kentucky, and for other purposes.

SPECIAL ORDER GRANTED

Mr. PELLY asked and was given permission to address the House for 10 minutes today, following the legislative program and any special orders heretofore entered.

NEW HAVEN RAILROAD

Mr. GOODWIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. GOODWIN. Mr. Speaker, I have asked the Interstate Commerce Commission to investigate the circumstances under which Patrick B. McGinnis, of New York; C. Newton Kidd, of Baltimore; and others ran both the Central of Georgia Railway Co. and the Norfolk Southern Railway Co. during a large part of 1952 and 1953 in violation of the Interstate Commerce Act.

I have called the attention of ICC to the fact that, for more than a year, a demand for an investigation of this dual connection of McGinnis and his associates with the Central of Georgia Railway Co. has lain unheeded in the files.

The McGinnis group is the same group which is now attempting, by means of proxies, to get control of the New York, New Haven & Hartford Railroad Co. Its contact with the management of Norfolk

Southern Railway Co. is remembered chiefly for the scorching censure heaped upon the McGinnis crowd by the ICC examiner who investigated their conduct.

The Central of Georgia is involved in a demand for an investigation of McGinnis and Kidd by J. T. Kingsley, a director of Norfolk Southern Railway, who was fired as president of Norfolk Southern for daring to suggest operating economies that would have saved \$200,000 a year. Mr. McGinnis was a director on the boards of both railroads for 8 months. About a year ago, he undertook to have ICC approve his status as chairman of the board of Central of Georgia. He quit this move in very much of a hurry after Kingsley wrote to ICC and asked to be heard on the subject of McGinnis' and Kidd's operations. McGinnis was in so much of a rush to avoid publicity on this that he got Central of Georgia's directors to accept his resignation, both as chairman and as a director, and reported this to the ICC, all on the same day, asking the Commission to call off further proceedings forthwith.

For some reason which is not clear to me, ICC seems to have allowed the Kingsley complaint to lapse, without any notation in the file of further action or intended action. Certainly, the charges made by Kingsley against McGinnis and Kidd are of such a nature as to justify a public investigation, particularly when they bear upon the further operations of a group whose railroad-ing has not been noted for good management and whose next stop on the "board room joyride" appears to be the New Haven system.

Is it because the present law is defective, which does not allow ICC, our oldest regulatory board, the same discretion possessed by the Civil Aeronautics Board and others, namely, the power to forbid further participation in the management of rail carriers by those found in prior proceedings to be unfit? And, if so, does Congress not need to amend the Commerce Act so as to stop in their tracks financial manipulators who have no interest in the public nor in good public transportation?

As a member of the Massachusetts Legislature, I lived through 16 years of weird experiences involving New England railroads, during which the New Haven was first operated for the benefit of the Pennroad Corp., an outside holding company; later for insurance company and savings bank bondholders, under the National Bankruptcy Act.

If Massachusetts and New England are ever to rebuild and to explore the economic future, they cannot be chained to unhallowed reminders of a haunted past, such as the approach of still another band of foreign adventurers, looking for a fast dollar and perhaps a faster exit.

If there is danger that the present able management of the New Haven Railroad may be replaced, I, for one, would like to be completely informed on what kind of a railroad future we can expect from their successors.

ELECTION OF VISHINSKY TO SUPREME SOVIET FROM LATVIA A FARCE

Mr. KERSTEN of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include a telegram.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KERSTEN of Wisconsin. Mr. Speaker, the charges before our Baltic Committee against Vishinsky concerning his personal criminal actions in Latvia, plus the committee's invitation giving him an opportunity to answer to these charges, caused a strong reaction behind the Iron Curtain.

One of the reactions seems to be the Communists' maneuver to have him, as a native of Odessa, which is in the south and on the Black Sea, elected to the Supreme Soviet from Riga, Latvia, which is in the north and on the Baltic Sea over 1,000 miles away.

This appears to be the Communists' answer to our committee hearings. To the unmurdered Latvians still left in Riga, he would not be a very welcome visitor. If he goes there at all he will have to be well guarded.

I wish to include in my remarks a telegram I received this morning as follows:

Radio Moscow informs us that Soviet Ambassador to the United Nations Andrei Y. Vishinsky, a native of Odessa, has just been elected to the Supreme Soviet from Riga, Latvia. This probably the greatest tribute the Kremlin could pay to your committee and the United States Congress. For Vishinsky has not been a member of the Supreme Soviet for 4 years. Your committee documentation of Vishinsky's role as director of the capture of Lithuania, Latvia, and Estonia has driven the Kremlin to such desperation that in defense they have named Vishinsky, a descendant of Polish nobility, a Menshevik against the Bolshevik Revolution of 1917 and a Kremlin hatchet man for 20 years, to represent a nation which he helped to enslave. We wonder what honors his associates Dekanozov in Lithuania and Zhdanov in Estonia, also indicted before your committee, might have earned if they had not been eliminated. We hope that you as an elected representative of the American people will tell your conferees in the Congress that the Soviet elections were one party as were those held in Lithuania, Latvia, and Estonia in 1940. Times have not changed. Elections behind the Iron Curtain have not changed. Our hopes and prayers are with you in exposing to the people of the world the duplicity of the Kremlin and the crimes of Malenkov, Molotov, and Vishinsky.

THE COMMITTEE FOR FREE ESTONIA, THE COMMITTEE FOR FREE LATVIA, AND THE COMMITTEE FOR FREE LITHUANIA.

FEDERAL FOOD, DRUG, AND COSMETIC ACT

Mr. O'HARA of Minnesota. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. O'HARA of Minnesota. Mr. Speaker, I have today introduced a bill to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to prohibit the use in food for human consumption of new chemical additives which have not been adequately tested to establish their safety.

The provisions of this bill meet the statements of principles on this subject which have been adopted over the past several months by most of the major food industries in the United States.

These food industries whose governing boards have adopted these principles are: American Bakers Association, American Institute of Baking, American Farm Bureau Federation, American Meat Institute, Dairy Industry Committee, Institute of Shortening and Edible Oils, Millers' National Federation, and National Restaurant Association.

The essential points in the principles adopted by these food industries are:

First. That it is the responsibility of food industries to exert every effort to assure adequate safeguards in the production and distribution of foods.

Second. That every new substance proposed for use in food be adequately pretested by the manufacturer or user of the substance and that this pretesting be required by law.

Third. That the results of the experimentation in pretesting new substances proposed for use in food should be reviewed and approved by the Food and Drug Administration of the Department of Health, Education, and Welfare before such substance is allowed in food to be sold to the public.

Quite similar provisions are laid down in the Food, Drug, and Cosmetic Act in reference to new drugs, and these provisions have worked out satisfactorily to the manufacturer and to the public.

It is felt that this bill will give similar adequate protection both to the manufacturer and to the consumer in regard to his food supply and will, at the same time, meet the progressive action of the food industries in asking for such protection.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

PETER PENOVIC AND OTHERS

The Clerk called the bill (S. 1432) for the relief of Peter Penovic, Milos Grahovac, and Nikola Maljkovic.

Mr. GRAHAM. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

JUAN EZCURRA AND FRANCISCO EZCURRA

The Clerk called the bill (S. 54) for the relief of Juan Ezcurra and Francisco Ezcurra.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Juan Ezcurra and Francisco Ezcurra shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VERA LAZAROS AND CRISTO LAZAROS

The Clerk called the bill (S. 316) for the relief of Vera Lazaros and Cristo Lazaros.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor children, Vera Lazaros and Cristo Lazaros, shall be held and considered to be the natural-born alien children of Mr. and Mrs. Louis Lazaros, citizens of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAMERTAS CVIRKA AND MRS. PETRONELE CVIRKA

The Clerk called the bill (S. 551) for the relief of Mamertas Cvirka and Mrs. Petronele Cvirka.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Mamertas Cvirka and Mrs. Petronele Cvirka shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALICE POWER AND RUBY POWER

The Clerk called the bill (S. 850) for the relief of Alice Power and Ruby Power.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 202 (a) (4) of the Immigration and Nationality Act shall be held to apply to Alice Power and Ruby Power.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VILHJALMUR THORLAKSSON BJARNAR

The Clerk called the bill (S. 931) for the relief of Vilhjalmur Thorlaksson Bjarnar.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Vilhjalmur Thorlaksson Bjarnar shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee: *Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SILVA GALJEVSCEK

The Clerk called the bill (S. 1038) for the relief of Silva Galjevscek.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Silva Galjevscek shall be held and considered to be the minor child of her parents, Franz and Leopolda Galjevscek, lawful permanent residents of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

UTAKO KANITZ

The Clerk called the bill (S. 1137) for the relief of Utako Kanitz.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Utako Kanitz shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee: *Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAOLO DANESI

The Clerk called the bill (S. 1440) for the relief of Paolo Danesi.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Paolo Danesi shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROBERT A. TYRRELL

The Clerk called the bill (S. 1652) for the relief of Robert A. Tyrrell.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Robert A. Tyrrell may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice have knowledge prior to the enactment of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTHER WAGNER

The Clerk called the bill (S. 2073) for the relief of Esther Wagner.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (9) of the Immigration and Nationality Act, Esther Wagner may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Secretary of State or the Attorney General had knowledge prior to the enactment of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE P. SYMRNIOTIS

The Clerk called the bill (H. R. 683) for the relief of George P. Symrniotis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, George P. Symrniotis shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee and head tax. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendments:

In lines 3 and 4, strike out the words "immigration and naturalization laws" and substitute in lieu thereof "Immigration and Nationality Act."

On line 8, strike out the words "and head tax."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE ECONOMOS

The Clerk called the bill (H. R. 970) for the relief of George Economos.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That for the purposes of the immigration and naturalization laws, George Economos shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee and head tax. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendments:

On lines 3 and 4, strike out the words "immigration and naturalization laws" and substitute "Immigration and Nationality Act."

On line 8, strike out the words "and head tax."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THERESA MIRE PIANTONI

The Clerk called the bill (H. R. 1755) for the relief of Theresa Mire Piantoni.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of sections 4 (a) and (9) of the Immigration Act of 1924, as amended, the minor child, Theresa Mire Piantoni, shall be held and considered to be the natural-born child of Mr. and Mrs. Nicolas Piantoni, citizens of the United States.

With the following committee amendments:

Strike out all after the enacting clause and insert in lieu thereof the following: "That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child Theresa Mire Piantoni, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Nicolas Piantoni, citizens of the United States."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RITO SOLLA

The Clerk called the bill (H. R. 1784) for the relief of Rito Solla.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of paragraph (9) of section 212 (a) of the Immigration and Nationality Act, Rito Solla may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act.

With the following committee amendment:

On line 7, after the words "of that act", change the period to a colon and add the

following: "Provided, That this exemption shall apply only to grounds for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GIUSEPPE FRUSCIONE

The Clerk called the bill (H. R. 2385) for the relief of Giuseppe Fruscione.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (9) of the Immigration and Nationality Act, Giuseppe Fruscione may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice have knowledge prior to the enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TIBOR HORANYI

The Clerk called the bill (H. R. 2404) to adjust the status of a displaced person in the United States who does not meet all the requirements of section 4 of the Displaced Persons Act.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Tibor Horanyi shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon the payment of the required visa fee and head tax. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the number of displaced persons who shall be granted the status of permanent residence pursuant to section 4 of the Displaced Persons Act, as amended (62 Stat. 1011; 64 Stat. 219; 50 U. S. C. App. 1953).

With the following committee amendments:

Page 1, line 7, strike out the words "and head tax."

On page 1, line 10, after the words "deduct one number," strike out the remainder of the bill, and substitute in lieu thereof the following: "from the appropriate quota for the first year that such quota is available."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Tibor Horanyi." A motion to reconsider was laid on the table.

ANDOR GELLERT

The Clerk called the bill (H. R. 2406) to adjust the status of a displaced person in the United States who does not meet all the requirements of section 4 of the Displaced Persons Act.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Naturalization laws, Andor Gellert shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon the payment of the required visa fee and head tax. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the number of displaced persons who shall be granted the status of permanent residence pursuant to section 4 of the Displaced Persons Act, as amended (62 Stat. 1011; 64 Stat. 219; 50 U. S. C. App. 1953).

With the following committee amendments:

Page 1, line 7, strike out the words "and head tax."

On page 2, line 1, after the words "deduct one number" strike out the remainder of the bill and insert in lieu thereof the following: "from the appropriate quota for the first year that such quota is available."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Andor Gellert."

A motion to reconsider was laid on the table.

MRS. MARGARETE BURDO

The Clerk called the bill (H. R. 3349) for the relief of Mrs. Margarete Burdo.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Mrs. Margarete Burdo may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice have knowledge prior to the enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARTHA SCHNAUFFER

The Clerk called the bill (H. R. 3876) for the relief of Martha Schnauffer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Martha Schnauffer may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice have knowledge prior to the enactment of this act.

With the following committee amendment:

Page 1, line 7, after the word "*Provided*," insert the words: "That her marriage to her United States citizen fiancé, Robert Wayne Shockley, takes place within 3 months following the enactment of this act: *And provided further*."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE TELEGDY AND JULIA PEYER TELEGDY

The Clerk called the bill (H. R. 4135) for the relief of George Telegdy and Julia Peyer Telegdy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, George Telegdy and Julia Peyer Telegdy shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act upon the payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. HILDEGARD NOEL

The Clerk called the bill (H. R. 4864) for the relief of Mrs. Hildegard Noel.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (9) of the Immigration and Nationality Act, Mrs. Hildegard Noel may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice have knowledge prior to the enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MAGDALENE ZARNOVSKI AUSTIN

The Clerk called the bill (H. R. 5090) for the relief of Mrs. Magdalene Zarnovski Austin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 13 (c) of the Immigration Act of 1924, as amended, that Magdalene Zarnovski Austin shall be admitted to permanent residence in the United States, the said Magdalene Zarnovski Austin being the wife of Roger Earl Austin, an honorably discharged veteran of World War II and a citizen of the United States.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Mrs. Magdalene Zarnovski Austin may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice have knowledge prior to the enactment of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GERALDINE B. MATHEWS

The Clerk called the bill (S. 214) for the relief of Geraldine B. Mathews.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$1,777.23 to Miss Geraldine B. Mathews, in full settlement of all claims against the United States for the loss of her personal property as the result of a fire which occurred on May 11, 1952, at the women's billets at FEAMCOM (recently renamed "FEALOGFOR"), Japan, while Miss Geraldine B. Mathews was housed in such billets in line of duty as an American Red Cross employee stationed at Tachikawa Air Base, Japan: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendments:

Page 1, line 6, after the comma insert "and to pay the sum of \$950 to Miss Ruth H. Haller, and to relieve her of refunding the sum of \$822."

Page 1, line 7, strike out the word "her" and insert in lieu thereof the word "their."

Page 1, line 10, after "Mathews," insert "and Miss Ruth H. Haller."

Page 1, line 10, strike out the word "was" and insert "were."

Page 1, line 11, strike out the word "an."

Page 2, line 1, strike out the word "employee" and insert "employees."

The committee amendments were agreed to.

The bill was ordered to be read a third time, and was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Geraldine B. Mathews and Ruth H. Haller."

A motion to reconsider was laid on the table.

ESTHER E. ELLICOTT

The Clerk called the bill (H. R. 2791) for the relief of Esther E. Ellicott.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to pay, out of any money in the Treasury not otherwise appropriated, to Esther E. Ellcott, formerly of San Antonio, Tex., the sum of \$939.95. Such sum represents property damage sustained by the said Esther E. Ellcott as the result of the crash of a United States Air Force airplane on Quincy Street, San Antonio, Tex., on July 11, 1948, such plane operated by a member of the United States Air Force. The claim of the said Esther E. Ellcott is not a claim which is cognizable under the Federal Tort Claims Act.

With the following committee amendments:

Page 1, line 6, after the amount, insert "in full settlement of all claims against the United States."

At the end of the bill insert the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THEODORE W. CARLSON

The Clerk called the bill (H. R. 3109) for the relief of Theodore W. Carlson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Theodore W. Carlson (Veterans' Administration claim No. C-12587469), Nisula, Mich., who served on active duty with the United States Army during the period beginning February 11, 1942, and ending November 7, 1945, and was honorably discharged therefrom, is hereby granted all of the rights, benefits, and privileges which are granted to persons who served on active duty with the United States Army during the period beginning December 7, 1941, and ending December 31, 1946, and who were honorably discharged therefrom after having suffered permanent total loss of vision in one eye as a result of such service.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLYDE M. LITTON

The Clerk called the bill (H. R. 3672) for the relief of Clyde M. Litton.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Clyde M. Litton, of Los Angeles, Calif., the sum of \$1,175.89. The payment of such sum shall be in full settlement of all claims of the said Clyde M. Litton against the United States arising when, by reason of administrative error on the part of officials of the Army, he was deprived of benefits to which he was entitled under section 2 of the act

entitled "An act to increase the efficiency of the Air Force," approved June 16, 1936, as amended (10 U. S. C., sec. 300a): *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Clyde M. Litton, of Los Angeles, Calif., the sum of \$1,175.34. The payment of such sum shall be in full settlement of all claims of the said Clyde M. Litton against the United States arising out of the fact that, through an administrative error on the part of officials of the Army, he was not formally transferred from the Infantry Reserve to the Air Corps Reserve effective February 22, 1943, upon his completion of advanced glider training, and was thus deprived of the benefits to which he would have been entitled under section 2 of the act entitled 'An act to increase the efficiency of the Air Corps,' approved June 16, 1936 (49 Stat. 1524), as amended (10 U. S. C., sec. 300a), had he been so transferred: *Provided*."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALEXANDRIA S. BALASKO

The Clerk called the bill (H. R. 3751) for the relief of Alexandria S. Balasko.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Alexandria S. Balasko, Stockton, Calif., the sum of \$424.75. Such sum represents the amount of the judgment and costs for which the said Alexandria S. Balasko has paid, in a civil action in the justice court of Stockton, Calif., as the result of an accident which occurred at the intersection of F Street and Fourth Lane, Lathrop, Calif., on October 23, 1950, and which involved a United States Safety Office 1952 Plymouth sedan being driven by Alexandria S. Balasko, an authorized driver for the Sharpe General Depot, United States Army, Lathrop, Calif. Such sum shall be paid to the said Alexandria S. Balasko in reimbursement of judgment and costs paid by her: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the Secre-

tary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Alexandria S. Balasko, of Stockton, Calif., the sum of \$300, in full settlement of all claims against the United States for reimbursement of a like amount expended by her out of her own personal funds in satisfying of record a judgment rendered against her on or about November 28, 1952, by the justice's court, city of Stockton, County of San Joaquin, State of California, in a suit brought against her individually by one Leland C. Kellbar in said court (case No. 15,260), for the damages sustained by him as the result of the collision of an Army automobile with the automobile of the said Leland C. Kellbar at the intersection of F Street and Fourth Avenue in Lathrop, Calif., on October 23, 1950, the said Army automobile being operated on official Government business at the time of said collision by the said Alexandria S. Balasko, a civilian employee of the Department of the Army and an authorized driver for the Sharpe General Depot, United States Army, Lathrop, Calif.: *Provided*."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALLEN POPE

The Clerk called the bill (H. R. 3756) for the relief of Allen Pope, his heirs or personal representatives.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Allen Pope, his heirs or personal representatives, the sum of \$81,277, which sum represents payment at contract rate, as authorized by the act of February 27, 1942 (56 Stat. 1122), for the work of excavating materials which caved in over the tunnel arch during work performed by the said Pope in the construction of a tunnel for the second high service of the water supply of the District of Columbia, for which he has not been paid, but of which the Government has received the use and benefit: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendments:

Page 1, line 6, strike out "\$81,277" and insert in lieu thereof "\$40,000."

Page 2, line 2, after the word "benefit", change the colon to a period, and add the following: "Such sum is in full settlement of all claims against the United States in connection with this contract."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BERNHARD F. ELMERS

The Clerk called the bill (H. R. 3970) for the relief of Bernhard F. Elmers.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Bernhard F. Elmers, of Staten Island, N. Y., the sum of \$10,000, in full satisfaction of all claims of the said Bernhard F. Elmers against the United States arising out of his personal injury on July 8, 1947, when he was assaulted and robbed by two men while he was employed as a civilian employee of the Army Exchange Service, to wit, a junior auditor, serving with the United States Army in Germany: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CURTIS W. MCPHAIL

The Clerk called the bill (H. R. 4475) for the relief of Curtis W. McPhail.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding any statute of limitation or lapse of time or any provision of law to the contrary, suit may be instituted in the District Court for the Western District of Washington within 1 year after the date of enactment of this act by Curtis W. McPhail, of Seattle, Wash., upon his claim against the United States arising out of the death of his minor daughter, Susan B. McPhail, as a result of her being struck by an Army truck in Japan on February 13, 1948. In any such suit brought pursuant to this act proceedings shall be had and the liability, if any, of the United States shall be determined in accordance with the provisions of law applicable in the case of tort claims against the United States, but nothing in this act shall be construed as an inference of liability on the part of the United States.

With the following committee amendment:

Strike out everything after the enacting clause, and substitute the following: "That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$5,000, to Curtis W. McPhail, of Seattle, Wash., in full settlement of all claims of said Curtis W. McPhail against the United States arising out of the death of his minor daughter, Susan B. McPhail, as a result of her being struck by an Army truck in Japan on February 13, 1948: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAUL E. MILWARD

The Clerk called the bill (H. R. 4713) for the relief of Paul E. Milward.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$1,016.85 to Paul E. Milward, of Braintree, Mass., in full settlement of all claims against the United States for personal injuries and expenses incident thereto as a result of an accident involving a United States Army truck on December 22, 1941.

Sec. 2. The Secretary of the Treasury shall require the cancellation of judgment against Peter C. Penta, from the Municipal Court of the City of Boston, Mass., before payment shall be made under this act.

With the following committee amendments:

Page 1, line 5, after the "\$" strike out the figures and insert "1,000."

Page 1, line 9, after the word "truck" strike out everything which follows, and substitute the following: which "occurred in Boston, Mass., on December 22, 1941."

"Sec. 2. That the Secretary of the Treasury shall require the satisfaction of record of a certain judgment rendered in favor of the said Paul E. Milward and against one Peter P. Penta in Case No. 175,385 in the Municipal Court of the City of Boston, Mass., before the payment of the amount appropriated in this act shall be made to the said Paul E. Milward: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DAVID HANAN

The Clerk called the bill (H. R. 5436) for the relief of David Hanan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to David Hanan, Chicago, Ill., the sum of \$10,000. The payment of such sum shall be in full settlement of all claims of the said David Hanan against the United States for personal injuries, loss of income, medical and hospital expenses, and pain and suffering sustained by him as the result of improper surgical treatment which he received from personnel of the United States Army in an operation on April 1, 1943, at Camp Claiborne, La., causing continuing personal injury and pain and suffering and necessitating a further opera-

tion by civilian doctors which disclosed a surgical sponge in his abdomen: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 6, strike out "\$10,000" and insert in lieu thereof "\$3,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHANCY C. NEWSOM

The Clerk called the bill (H. R. 5460) for the relief of Chancy C. Newsom.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Sgt. Chancy C. Newsom, RA18136142, the sum of \$60,000. The payment of such sum shall be in full settlement of all claims of the said Sgt. Chancy C. Newsom against the United States arising out of the permanent injuries and disfigurement suffered by his minor daughter, Susan B. Newsom, on February 21, 1952, when she was severely burned due to the explosion of an oil switch at Camp Wood, Kumamoto, Kyushu, Japan. No part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Strike out all after the enacting clause down to the period in line 1, page 2, and substitute the following:

"That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Chancy C. Newsom, 28 Northwest 36 Court, Miami, Fla., the sum of \$17,800. The payment of such sum shall be in full settlement of all claims of the said Chancy C. Newsom against the United States, personally and on behalf of his minor daughter, Susan M. Newsom, arising out of the permanent injuries and disfigurement suffered by said daughter on February 21, 1952, when she was severely burned due to the explosion of an oil switch at Camp Wood, Kumamoto, Kyushu, Japan."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. GRAHAM, the title was amended so as to read: "For the relief of Chancy C. Newsom."

A motion to reconsider was laid on the table.

MRS. ANN ELIZABETH CAULK

The Clerk called the bill (H. R. 4532) for the relief of Mrs. Ann Elizabeth Caulk.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Ann Elizabeth Caulk, Annapolis, Md., the sum of \$1,682.80. The payment of such sum shall be in full settlement of all claims of the said Mrs. Ann Elizabeth Caulk (Veterans' Administration claim No. XC-2647167) against the United States for the death benefits she would have received if the claim she filed on March 29, 1948, had been considered as having been filed on April 1, 1944. No part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEE SIU SHEE

The Clerk called the bill (H. R. 4099) for the relief of Lee Siu Shee.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of section 101 (a) (27) (B) of the Immigration and Nationality Act, Mrs. Lee Siu Shee shall be held and considered to be a returning resident alien.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIANNE SCHUSTER DAWES

The Clerk called the bill (H. R. 5961) for the relief of Marianne Schuster Dawes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Marianne Schuster Dawes may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice have knowledge prior to the enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

YOKO KAGAWA

The Clerk called the bill (H. R. 6647) for the relief of Yoko Kagawa.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the Immigration and Nationality Act,

Yoko Kagawa, the fiancée of Harry Sutcliffe, a citizen of the United States, shall be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Yoko Kagawa is coming to the United States with a bona fide intention of being married to the said Harry Sutcliffe and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named persons does not occur within 3 months after the entry of the said Yoko Kagawa, she shall be required to depart from the United States in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within 3 months after the entry of the said Yoko Kagawa, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Yoko Kagawa as of the date of the payment by her of the required visa fee.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. HOOEY SHEE ENG

The Clerk called the bill (H. R. 6754) for the relief of Mrs. Hooey Shee Eng.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of section 101 (a) (27) (B) of the Immigration and Nationality Act, Mrs. Hooey Shee Eng shall be held and considered to be a returning resident alien.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THERESE BOEHNER SOISSON

The Clerk called the bill (H. R. 7452) for the relief of Therese Boehner Soisson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (9) of the Immigration and Nationality Act, Therese Boehner Soisson may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ZDZISLAW (JERZY) JAZWINSKI

The Clerk called the bill (H. R. 6563) for the relief of Zdzislaw (Jerzy) Jazwinski.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Zdzislaw (Jerzy) Jazwinski shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act; and that his past membership in the classes defined in section 212 (a) (28) of the Immigration and Nationality Act shall

not hereafter be a cause for his exclusion from the United States.

With the following committee amendment:

Page 1, line 10, after the word "States", insert "Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMANENT RESIDENCE TO CERTAIN ALIENS

The Clerk called the resolution (H. J. Res. 455) granting the status of permanent residence to certain aliens.

There being no objection, the Clerk read the resolution, as follows:

Resolved, etc., That, in the case of each alien hereinafter named, in whose case deportation has been suspended for 6 months pursuant to section 19 (c) of the Immigration Act of 1917, as amended (54 Stat. 671; 56 Stat. 1044; 62 Stat. 1206), or in whose case the Attorney General has determined that the alien is qualified for adjustment of status under the provisions of section 4 of the Displaced Persons Act of 1948, as amended (62 Stat. 1011; 64 Stat. 219), the Attorney General is authorized and directed to cancel deportation proceedings and to record the lawful admission for permanent residence of each such alien in accordance with the provisions of section 244 (d) of the Immigration and Nationality Act (66 Stat. 216-217), upon the payment to the Commissioner of Immigration and Naturalization of a fee of \$18, which fee shall be deposited in the Treasury of the United States to the account of miscellaneous receipts:

A-6028736, Benezis, Ioannis Peter.
A-6509270, Bergman, Josef or Joseph.
A-6896408, Blimbaum, Szlama alias Jan Sawicki.
A-6406048, Brecher, Isaac.
A-7133470, Brunauer, Maria Kaplar.
A-7133469, Brunauer, Sandor.
A-6994560, D'Alessandro, Mariantonia formerly Santavica (nee Bernardi).
A-8091139, DeWitte, Flor De Maria Sanchez De.
A-6457325, DeWitte, Leendert.
A-6374956, Dumitru, Ionel G.
A-4006712, Dunne, Ben Hong.
A-6985318, Ejdelman, Aleksander or Alexander.
A-6819644, Ejdelman, Anna.
A-6985317, Ejdelman, Boris.
A-7841406, Ejdelman, Sala (nee Kranzberg).
A-6616278, Feldinger, Jozeef or Joseph.
A-6803963, Feldstein, Makaymilian Jakob.
A-6803939, Feldstein, Yetta.
A-6470570, Glaser, Jacob.
A-6819583, Glazer, Hertz.
A-7182590, Grade, Chalm.
A-7182591, Grade, Inna Hecker.
A-6897053, Hochsztein, Chalm.
A-6980400, Hochsztein, Regina (nee Tenenbaum).
A-6887712, Iwaniski, Chaim.
A-6903773, Jaffe, Zacharia Keller.
A-6840917, Kasirer, Abraham.
A-7052661, Kryzanowski, Michael.
A-7203346, Landau, Helena or Helena Gabor.
A-6868670, Landau, Lajos or Ludwig.
A-6151548, Lazaga, Leonore Evelyn.
A-9825069, Lewandowski, Wladyslaw.

A-7450230, Lin, Pearl Sun.
 A-7992838, Lopez-Avila, Manuel.
 A-7201399, Masirevich, George.
 A-6930678, Mendlovic, Manes.
 A-7138067, Mendlovic, Terezia.
 A-6955553, Musafia, Julien.
 A-6953277, Ostreicher, Gizella.
 A-6933857, Paschkusz, Maximilian.
 A-7248041, Peter, Josef.
 A-6887550, Pilicer, Szmul.
 A-6987484, Pollak, Mikulas Mano.
 A-7057111, Protasewicz, Stefan.
 A-6860613T, Rodriguez, Sylvia Olive (nee Achow).

A-7178375, Soo, August.
 A-7178374, Soo, Hilda Charlotte.
 A-6508425, Steinmetz, Richard.
 A-6380350, Syec, Miroslava (Svecova).
 A-6794750, Szamet, Zoltan or Milton Samet.
 A-6886846, Taubenfeld, Leib.
 A-7910443, Vogel, Alexandru Andrei.
 A-7476493, Vogel, Alfons.
 A-7910442, Vogel, Anita Helen.
 A-7910444, Vogel, Bella (nee Schneersohn).
 A-7142102, Weisz, Morris.
 A-6964706, Wistreich, Ignacy Reginald.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SAHAG VARTANIAN

The Clerk called the bill (H. R. 1509) for the relief of Sahag Vartanian.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$500 to Sahag Vartanian, of Racine, Wis., in full settlement of all claims against the United States as a refund for a security bond posted for Perous Mary Derderian (nee Donaldson) which was declared forfeited April 18, 1949: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTHER SMITH

The Clerk called the bill (H. R. 3008) for the relief of Esther Smith.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Esther Smith, Wilmington, N. C., the sum of \$2,500. The payment of such sum shall be in full settlement of all claims of the said Esther Smith against the United States as a result of being struck by an Army vehicle while she was walking along North Fourth Street, Wilmington, N. C., on December 22, 1944: *Provided* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same

shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HERSCHEL D. REAGAN

The Clerk called the bill (H. R. 5933) for the relief of Herschel D. Reagan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$500 to Herschel D. Reagan, of Cairo, Ga., in full settlement of all claims against the United States as reimbursement for bond posted for Efthalia Ray (nee Kyriakides) in 1948: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLMORE ENGINEERING CO.

The Clerk called the bill (H. R. 7258) for the relief of the Willmore Engineering Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Chief Judge of the United States District Court for the District of Columbia shall appoint an arbitrator who shall, after having heard the evidence, determine and certify to the Secretary of the Treasury any amount which in his judgment would be required to satisfy any obligations of the United States to the Willmore Engineering Co. for services and expenses in connection with its contract with the United States for production of winches for transport vessels necessary to the prosecution of World War II, pursuant to special emergency authorizations and commitments under war powers, for which it is alleged the United States has failed to provide adequate payment. To the extent not inconsistent with this act, the provisions of the United States Arbitration Act, as amended, shall govern. The compensation of the arbitrator and other costs arising in the arbitration of this case shall be fixed and assessed by the said chief judge.

Sec. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Willmore Engineering Co. a sum equal to the amount certified to him under the first section of this act. The payment of such sum shall be in full settlement of all claims of said Willmore Engineering Co. against the United States for compensation for such services and expenses: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this

claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 9, after the word "contract", insert "if any."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATE OF CARLO DE LUCA

The Clerk called the bill (H. R. 7753) for the relief of the estate of Carlo de Luca.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims to entertain, hear, determine, and render judgment upon, notwithstanding the bars or defenses of res judicata, lapse of time, laches, deficiency, or mistake in pleading, proof or argument, waiver, payment, and satisfaction of judgment, or any settlement or adjustment heretofore made, a petition by the personal representatives of the estate of Carlo de Luca, deceased, to modify and amend a judgment of the Court of Claims rendered on December 7, 1936, upon the ground that the arithmetical method used by the Court of Claims to compute the damages in said judgment resulted in an inequitable benefit to, and an unjust enrichment of, the United States, and a judgment in favor of Carlo de Luca for less than full and complete just compensation; and the Court of Claims is directed to enter judgment in favor of the personal representatives of the estate of Carlo de Luca, deceased, for the amount, if any, by which the United States has been unjustly enriched, and by which Carlo de Luca in his lifetime received less than full and complete just compensation: *Provided*, That any recomputation of just compensation and any modification or amendment of said judgment shall be made as of December 7, 1936, and shall not allow interest in favor of the personal representatives of the estate of Carlo de Luca, deceased, beyond December 7, 1936. The court shall have such jurisdiction if a petition to modify or amend the judgment is filed within 120 days after the date of the enactment of this act.

With the following committee amendment:

Page 1, line 3, strike out all after the enacting clause down to and including line 18 on page 2, and insert "That jurisdiction is hereby conferred upon the United States Court of Claims to hear, determine, and render judgment upon, notwithstanding the bar or defenses of res judicata, lapse of time, laches, or any settlement or adjustment heretofore made, the claim of Carlo de Luca, deceased, arising out of an error alleged to have been made by the Court of Claims in computing the amount of damages awarded him in a judgment rendered on December 7, 1936. The Court shall have such jurisdiction if suit is instituted within 120 day after the date of enactment of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SALE OF CERTAIN LAND IN ALASKA TO RABBIT CREEK COMMUNITY CLUB

The Clerk called the bill (H. R. 3954) to authorize the sale of certain public land in Alaska to the Rabbit Creek Community Club of Anchorage, Alaska.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Rabbit Creek Community Club, of Anchorage, Alaska, is hereby authorized for a period of 1 year from and after the effective date of this act to file with the Secretary of the Interior an application to purchase, and the Secretary of the Interior is hereby authorized and directed to issue patent to it, for use as a community recreation center and for other community purposes, the following-described land in Alaska.

That portion of the northwest quarter northwest quarter northeast quarter of unsurveyed section 4, township 11 north, range 3 west, Seward meridian, Alaska, lying northeast of the northeasterly boundary of the Seward-Anchorage Highway right-of-way, comprising one and thirty-three one-hundredths acres more or less, and which will probably be designated as lot 4 on a subsequently accepted plat of survey of this township; and that portion of the west half east half northwest quarter northeast quarter lying northeast of the northeasterly boundary of the Seward-Anchorage Highway right-of-way, comprising four and twelve one-hundredths acres more or less, and which will probably be designated as lot 3 on a subsequently accepted plat of survey of this township.

Sec. 2. That the conveyance shall be made upon the payment by the Rabbit Creek Community Club for the land at its reasonable appraised price of not less than \$1.25 per acre, to be fixed by the Secretary of the Interior: *Provided*, That the conveyance hereby authorized shall not include any land covered by a valid existing right initiated under the public land laws: *Provided further*, That the coal and other mineral deposits in the land shall be reserved to the United States, together with the right to prospect for, mine, and remove the same under applicable laws and regulations to be prescribed by the Secretary of the Interior.

With the following committee amendments:

Page 1, line 3, strike out "Rabbit Creek Community Club" and insert "Turnagain Arm Community Club."

Page 2, line 5, after the word "less", strike out "and which will probably be designated as lot 4 on a subsequently accepted plat of survey of this township."

Page 2, line 11, after the word "less", strike out "and which will probably be designated as lot 3 on a subsequently accepted plat of survey of this township."

Page 2, line 14, strike out all of section 2 and insert:

"Sec. 2. The lands shall be sold to the club at the reasonable appraised price to be fixed by the Secretary of the Interior, but not less than \$1.25 per acre, plus the cost of survey. The Secretary shall have the appraisal made on the basis of the value of the lands at the date of appraisal, exclusive of any increased value resulting from the development or improvement of the lands by the club or its successors in interest. The conveyance shall be made only if the club makes the total payment due within 5 years after notification by the Secretary of the amount due."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to authorize the sale of certain public land in Alaska to the Turnagain Arm Community Club of Anchorage, Alaska."

A motion to reconsider was laid on the table.

WORD OF GREETING AND APPRECIATION

The SPEAKER. The Chair recognizes the gentleman from Tennessee [Mr. DAVIS].

Mr. DAVIS of Tennessee. Mr. Speaker, this is a happy moment to return to this Chamber which holds so many fond memories for us all. It seems a very long time since the afternoon of March 1, when I was among you last. Shakespeare wrote:

The friends thou hast and their adoption tried,
grapple them to thy soul with hoops of steel.

I would be no part of a man and certainly would I be most ungrateful if I did not take this time to express my deep appreciation to all of you for your kind ministrations, your words of interest and sympathy, your messages, and your offer of every possible assistance in the midst of misfortune.

The President of the United States, a great man and a most humane leader, was quick to express to all of us by note, by beautiful flowers, and through the personal visit of Governor Adams, his assistant and our former colleague, his interest not only as the Chief Executive of this great country but also as a genuine American.

Our colleague Resident Commissioner FERNOS-ISERN quickly demonstrated the finest attributes of character. The visit of Governor Muñoz-Marín, of Puerto Rico, and his charming wife reflected the concern of their countrymen. It further bespeaks the need for continued confidence in the Governor's leadership recognized for integrity, intellectual honesty, and appreciation for the United States.

Our distinguished Speaker MARTIN took time out of a busy life to visit us and to bring us a word of cheer and encouragement, as did our majority leader, CHARLIE HALLECK.

I shall never forget the immediate kindness of my own Tennessee delegation led by my long-time and devoted friend, JERE COOPER. TOM LANE, of Massachusetts, and PAT SUTTON, from my own State, were the first to reach me in trouble. Both knew what to do and never left me. Indeed did Speaker RAYBURN and our colleagues on both sides of the aisle demonstrate to all of us and to our families a comradeship and an interested affection which I know can be shared in no other place with quite so much emphasis as in the House of Representatives where we lay down all partisanship when a brother is in trouble.

In a very simple way I should like to pay tribute to every last one of you. We are fortunate to have as members of this body men like Dr. JUDD, Dr. MILLER, Dr. FENTON, and Dr. NEAL, who were so quick

to use their good professional judgment in time of great emergency. May all of them be with us for many, many years in the future.

In recent years I have been advised by one of the most outstanding medical men in Washington that he considered Dr. Calver one of the most adequately informed men on medicine in this country. Dr. Calver and his assistants met with intelligent understanding our needs and all of us shall ever be grateful to him and to all associated with him.

The Members of this House are fortunate to have the professional care afforded by the United States Naval Hospital. No finer professional treatment can be obtained anywhere. The surgeons who attended us were adequately trained and represent the highest order of professional standards. Administratively and medically, none of us who has ever been there can say enough in commendation.

The gentlewomen in this House were calm. Their reaction to a tragic occurrence shall ever be a tribute to women everywhere. I shall never forget Mrs. BOLTON, of Ohio, as she fairly ran up the aisle to attend one of our number more seriously injured than some of the rest of us.

I must pay tribute to Dr. Braskamp who never missed a night in a truly pastoral call. Fortunately, he is endowed with a deep spirit of consecration and service and is able to lift high the hopes of all men regardless of their own individual religious beliefs.

So it is from that page boy to Speaker MARTIN. Doorkeeper Tom Kennamer, Clerk Lyle Snader, the working press in our gallery, and every member of our official family in this House of Representatives responded with courage, love, and good will.

In recent days I have had a lot of time to think. I can say with profound sincerity that I believe with so many who have communicated with all of us that a great divine power was without question watching over all in this Chamber when an unfortunate incident occurred. As for me, I have determined to do more than I have ever done in my life in my remaining days on this earth to merit the continued confidence of my colleagues and my fellow man.

There is undoubtedly a reason and a purpose in leaving so many of us to conduct our work. God give us the strength to recognize our responsibilities and our duties.

Grateful to Him who spared us and with a devout prayer that our colleagues, BENTLEY, ROBERTS, and JENSEN, shall soon be restored to full and complete strength, and with gratitude to all of you, my warm friend, GEORGE FALLON, and I hope that we shall soon forget the past and strive onward and upward to hold high the traditions, the teachings, the high motives of our country and unto God give thanks and praise always.

CIVIL FUNCTIONS APPROPRIATION ACT, 1955

Mr. DAVIS of Wisconsin. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House

on the State of the Union for the further consideration of the bill (H. R. 8367) making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1955, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 8367), with Mr. MCGREGOR in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the Clerk had read the first paragraph of the bill. If there are no amendments to this paragraph, the Clerk will read.

The Clerk read as follows:

ADMINISTRATIVE PROVISIONS

The foregoing appropriations shall be available for expenses of attendance at meetings of organizations concerned with the work for which the appropriation is made and for printing, either during a recess or session of Congress, of survey reports authorized by law, and such survey reports as may be printed during a recess of Congress shall be printed, with illustrations, as documents of the next succeeding session of Congress; and during the current fiscal year the revolving fund, Corps of Engineers, shall be available for purchase (not to exceed 250 for replacement only) and hire of passenger motor vehicles.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is indeed regrettable that every Member of the House was not on the floor a few moments ago when our colleague from Tennessee, the Honorable CLIFFORD DAVIS, addressed the House. Seldom has it been the privilege of the visitors to the gallery, of the House membership, certainly not in my experience, which dates back to the beginning of 1935, to have listened to so eloquent and worthwhile an address.

Not only does our colleague deserve and have the sincere respect and affection of the House membership, but he shares with the others who were so seriously injured on March 1 the sympathy of all of us.

Always faithful to his duty, always on the job, always rendering constructive service not only to his district but to the people of the Nation as a whole, our colleague today demonstrated not only his ability as an orator, but his kindness, his personal appreciation of the high regard in which the House holds him, as well as his desire to render an ever better service to his country.

Permit me most humbly to commend his address to those whose duty prevented their presence here when he spoke, not only to his constituents, but to all to whom the CONGRESSIONAL RECORD is available.

Mr. Chairman, a word now to the Members who are on the floor as to the tax bill which will come before us tomorrow, and upon which we will vote on Thursday next.

A SHAM TAX BUDGET-BALANCING EFFORT

Last night the President told us of the administration's desire to balance the budget and reduce the tax burden—both commendable objectives.

We were told of other objectives which those of us who have had experience in making both ends meet know cannot be accomplished without additional tax dollars.

So the real task of the administration and the Congress is to equalize our income and our expenditures.

The two ways of doing this are obvious. Either we increase the Government's take from tax dollars until it equals our expenditures or we reduce those expenditures until they are no more than the tax take.

The Congress is on the spot. This is an election year. If we refuse to appropriate funds for purposes demanded by our constituents, we may lose votes—hence, our jobs. If we increase the tax burden to such an extent that the people become resentful, we lose votes—and our jobs.

The President told us that we could bring about desired objectives if we would adopt the tax measure he recommends. Our astute Democratic friends advise us that if we do not increase the tax exemption from six to seven or eight hundred dollars, we will just be soaking the poor man for the benefit of the wealthy and, come November, we will get the bad news from the so-called little fellow—and there may be more truth than fiction in that.

It may be that the administration's advisers think it can get along just as well, perhaps better, without, after December 1955, the help of some so-called conservative Republicans—with the help of some so-called liberal international Democrats.

Be that as it may, I have always held to the theory that everyone should pay a fair share of the necessary cost of Government. It is quite evident that, while today those in the low income groups have difficulty in making both ends meet, those in the higher income groups are being forced to part with a comparatively large percentage of their income through taxation and that, unless they are permitted to retain enough of their earnings to continue and to establish new industries and businesses, the Government will strangle itself through its imposition of taxes which prevent not only the expansion of businesses but force not only a lessening of investments but the curtailment of present revenue-producing, job-giving enterprises.

It occurs to me there is one way out of our dilemma which would really harm no one. As practically every Member of this House knows, there has been, and there is today, inexcusable waste in the executive departments. A housecleaning there is long overdue. It should not require investigations by congressional committees to either establish that fact or supply the remedy.

Then, nearer home, a housecleaning job might well be done. While it is unpleasant to even suggest that the legislative branch spend less money, it sometimes seems that additional economy could be practiced without any great harm to our people. Let me cite an example or two.

The Committee on Government Operations, of which I am, figuratively speak-

ing, chairman, put through Congress Public Law 161. That act gave to a Comptroller General on retirement after serving 10 years in office or who had completed his term of 15 years in office, an annuity during the remainder of his life of \$17,500 per year, with a one-fourth of 1 percent reduction if he retired before he was 65. As you may recall, the Comptroller General's term of office is 15 years.

If a Comptroller General became permanently disabled from performing his duties and retired before serving 10 years he would receive an annuity of \$8,750. Our present Comptroller General is about to retire, I understand. He has rendered an extraordinarily fine service to the Congress. So far as I know, not one single word of criticism has been uttered since he assumed office.

But, in my humble judgment, and I was unanimously overruled by my committee, when we have a national debt of around \$275 billion with an interest charge approaching \$7 billion a year, when our tax burden is grievous, we do not contribute toward the balancing of the budget or the reduction of the tax burden by giving any Federal employee an annual lifetime pension of \$17,500 per year. The committee overruled me and the bill went through.

My question now to the members of my committee and the Members of the House who supported that bill is this: "How do you justify the granting of an annual pension for life of \$17,500 while denying to members of low-income groups a tax exemption of more than \$600?"

Then, there are other sources where money might be saved. The subcommittee of the House Committee on Government Operations, of which the gentleman from Ohio [Mr. BENDER] is chairman, which a few days ago asked the Committee on Accounts to give it an additional hundred thousand dollars to spend as it saw fit during the next 9 months, is now asking for an appropriation of \$52,000 for the same purpose, spent something like \$3,000 on a trip to the Virgin Islands last November, the ostensible purpose being to check Interior Department accounts and determine the advisability of the sale of the Bluebeard's Castle Hotel.

Five members of the committee, four members of the staff made the trip. The expense bills show \$1,739.10. To this should be added airline transportation on credit cards, the best estimate of which is something over \$1,100. To this should be added the cost of transportation furnished by Government planes. A fair estimate on the total cost would be around \$3,000. To date no report has been filed with the full committee by the subcommittee.

Another illustration of legislative spending is this: A year or two ago three members of a subcommittee of the Committee on Government Operations made trips abroad. One was for 42 days in a Government plane. That committee made a worthwhile report. If followed through perhaps substantial savings will be made if its recommendations are adopted.

More recently to be specific, from September 27, 1953, to October 24, 1953, a period of 24 days, a subcommittee headed by the chairman, the gentleman from Indiana, [Mr. BROWNSON], and the gentleman from Michigan, [Mr. MEADER], took two Members of the staff and both Mr. BROWNSON and Mr. MEADER went on a 24-day trip around the world. They travelled from San Francisco to Honolulu, to Tokyo, to Korea, to Tokyo, to Manila, to Honolulu, to San Francisco, to Washington, D. C. The reported cost of that trip was \$1,311.75.

That, however, was not the total cost. That figure does not include the cost of transportation by Government plane. The figure given represents the per diem cost, not other costs. Had the trip been made by commercial airlines for a party of five, by chartered plane, the cost would have been in a DC-4 \$51,514.75; in a DC-6, \$79,301.75. Had the trip been made on a commercial plane, first-class reservation with berth, the transportation cost would have been \$8,999. These figures, however, do not include costs of meals or lodgings away from the plane.

This Brownson subcommittee of the House Committee on Government Operations was given \$66,000, February 25, 1953. It is now asking the committee for an additional \$52,000.

Then there are many other ways familiar to us all in which the taxpayers' dollars could be saved by the legislative branch.

It is evident that expenditures can be drastically cut without reducing efficiency in Government operations.

We can agree with the President's statement made last night that we must maintain an adequate national defense. However, many of us remember that we have spent something over \$7 billion to aid foreign nations since 1949. We recall that last year foreign aid was well above three, almost four billion dollars. We have been advised that this year's foreign-aid expenditure will be upward of \$4 billion.

In view of the statement the Vice President made last Saturday, that we would be no longer enticed into wars where the Kremlin could induce its satellites to start one, it would seem that by getting value for our expenditures for the national defense of this country, we could not only balance the budget, making payment on the national debt, but we would be well able to make a substantial reduction in the tax bill.

This is the suggestion: If we, as Members of Congress and as a Congress, will just use the same commonsense methods that the successful citizen uses when expending his own income we will soon, without harm to anyone, be, as it has been put, "out of the woods."

However, on the other hand, if we are to attempt to maintain armed forces throughout the world, support in idleness a large percentage of our own people, place no limit on waste by the executive or the legislative departments, we will just travel the easy road of inflation with no escape from national bankruptcy and a real depression.

The practice of economy may be disagreeable but it is easy when compared with the hardships of depression.

An editorial in this morning's Times-Herald asks a pertinent question. It reads as follows:

How MUCH, How LONG?

Mr. Eisenhower has reported to Congress that America has shipped \$7.7 billion in gift arms to foreign nations taken under its wing since October, 1949. Of the total, \$3.8 billion moved abroad last year, and the current Eisenhower budget estimates outlays for the year ending June 30 at \$4.2 billion and projects an expenditure of \$4.275 billion for the coming year. In addition, economic aid, which is considered something apart, is at the rate of more than a billion a year.

Counting in unexpended balances, \$18 billion in straight arms aid has therefore gone overseas or is scheduled to go in a period of 6 years. This is within \$1 billion of the total appropriations for 1941, when Mr. Roosevelt was feverishly arming to equip other nations under lend-lease and to prepare the United States for the war he had in store for it.

Mr. Eisenhower states that beneficiary nations under the mutual security program have contributed \$35 billion of their own funds to armaments in the 4-year period 1949-53. Added to America's \$18 billion spent or to be spent, the total is \$53 billion, within \$7 billion of the total appropriations of the United States in 1942, its first full year in World War II.

"This assistance, combined with their own resources," said Eisenhower in the budget message, "enables our allies and friends to equip and train an equivalent of 175 army divisions, about 220 air force squadrons, nearly 1,500 naval aircraft, over 440 naval vessels and related combat and logistic units to back up these forces."

As the United States has more than 20 divisions in being, plus an Air Force of more than 120 wings, plus the greatest Navy in the history of the world, it might be asked how much more is to be deemed necessary before the military planners become satisfied with security against a Soviet threat. Somewhere there ought to be a limit on these traditional forces and weapons, especially in that almost all the experts agree that the danger in future war will lie in atomic attack and other scientific innovations.

But in the budget message Eisenhower offered little assurance that there would be any tapering off in the frenzied outlays for security, projected for the fiscal year 1955 at a total of almost \$45 billion. He said the intention was to provide "a strong military position which can be maintained over the extended period of uneasy peace." The mutual military program for 1955, he said, would be at a record level.

The administration credits the national defense with having taken on a "new look" but the spending figures have the same old look year after year, and all we are promised is more of the same.

Mr. SPENCE. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I had an amendment which I desired to offer, but the bill was read so rapidly I failed to offer it at the proper time.

In the budget a million dollars was recommended for the construction of a floodwall at Maysville, Ky. The Army engineers asked that that amount be appropriated. The committee has inserted in this bill the sum of \$700,000 for this construction.

I am informed by the Army engineers that that will delay construction for 6 months. If the full amount had been included in the bill and the bill enacted into law, the project would be completed on December 31, 1955. By reason of

failure to authorize the full sum it will be delayed until June 1956.

The Ohio River is one of the most treacherous rivers in the world. In the interval of time between January and June the floods occur which have cruelly devastated this city. It seems to me to be the height of folly not to appropriate the full sum at this time.

I wish to cite an example, and I do not mean to use this in connection with the very able committee which reports this bill that I know has the interest of all the people at heart and the welfare of every community that is served by this bill. But the shining example of folly for the last 2,000 years has been the man who built his house upon the sands. It would be just as much folly to attempt to construct a floodwall and then leave it unfinished, for the unfinished floodwall furnishes no protection to the community which it is intended to serve.

Mr. Chairman, I now ask unanimous consent that we might return to consider that amendment.

The CHAIRMAN. The gentleman asks unanimous consent to return to page 3, line 22, for the purpose of offering an amendment. Is there objection to the request of the gentleman from Kentucky?

Mr. DAVIS of Wisconsin. Mr. Chairman, reserving the right to object, I certainly will be forced to object to opening the bill up to a point prior to the point which has already been read. However, if we can have a clear understanding that this is to be only at this particular point in the bill, I would not consider it necessary to object for that purpose. But, I certainly would want the committee to be protected that the entire bill is not open.

Mr. HOFFMAN of Michigan. I object, Mr. Chairman.

The CHAIRMAN. The Chair will state that it is not within the province of the Chair to rule what the committee should do. If the gentleman from Wisconsin wants to object, the Chair will recognize the objection. If not the Chair will put the question.

Mr. HOFFMAN of Michigan. Wait a minute, Mr. Chairman. If he does not want to object, Mr. Chairman, I do.

The CHAIRMAN. The gentleman from Michigan has that privilege.

Mr. HOFFMAN of Michigan. I object to going back to anything prior to line 7 on page 5.

Mr. RAYBURN. Mr. Chairman, will the gentleman withhold that for a moment?

Mr. HOFFMAN of Michigan. Yes.

Mr. RAYBURN. The gentleman from Kentucky [Mr. SPENCE] was sitting on the front seat. He had an amendment to offer. As you know, there was much confusion here at the time, because the gentleman from Tennessee had just completed his remarks. The bill was read so fast that the gentleman from Kentucky did not hear as the Clerk went over this one provision. I really think that under the circumstances it would be the generous thing to do and probably the proper thing to do not to object.

The CHAIRMAN. The Chair would like to make this inquiry, if he may, of the gentleman from Kentucky. It was

the gentleman's unanimous-consent request to refer only to his amendment in going back to page 3?

Mr. SPENCE. Yes, Mr. Chairman. That is the only thing I am interested in.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. BUSBEY. Mr. Chairman, reserving the right to object, I am glad the chairman of the committee, the gentleman from Wisconsin [Mr. DAVIS] said he would not object to opening up this provision on line 22; that he would only want to object to opening up the whole bill that has already been read. I was on the floor, and like the gentleman from Texas [Mr. RAYBURN] said, they went over this so quickly that some of us who had amendments did not have an opportunity really to get recognition by the Chair. I hope that we will open this up for this part and nothing else.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The Clerk will read the amendment.

The Clerk read as follows:

Amendment offered by Mr. SPENCE: On page 3, line 22, strike out "\$278,777,000" and insert in lieu thereof "\$279,077,000."

Mr. SPENCE. Mr. Chairman, I want to thank the committee for giving me the opportunity to present this amendment. I can only repeat what I said previously. If this \$300,000, which was recommended in the budget and which was asked for by the Army engineers, is included in the bill when it passes, it will expedite the construction of the flood wall at Maysville by 6 months.

Mr. Chairman, the cities on the Ohio River are in constant peril of floods.

In the last 90 years there have been 45 major floods in the Ohio Valley. So you can understand the peril the people are in in this particular city which could be protected if the flood wall were expeditiously completed. It would be folly, it seems to me, not to construct this flood wall expeditiously, because the money will be spent and the peril is always there. The chances are about 1 in 3 that you will have a flood there during the 6 months' delay caused by refusal to make an adequate appropriation, which may cause as much damage as the \$300,000 I have asked for the continuation of the project.

I have no doubt that the committee did not consult the Army engineers as to the effect of the reduction of this appropriation before they reported the bill. I have talked to them and they have told me that there was absolutely no doubt that the decrease recommended in the appropriation in the bill would delay the construction of the flood wall 6 months, from December 1955 to June 1956. The period of the year in which almost all floods occur in the Ohio Valley is in January, February, and March.

Certainly a flood wall that is uncompleted is comparable to a house with no roof on it. It furnishes no protection at all. You must have a completed project in order to protect the city. The people in the city have lived in constant peril of

the floods. They have sustained great losses. Why not increase this appropriation to relieve them of the fear they have and to assure them of protection 6 months before they otherwise would obtain it?

I ask that the amendment be adopted. I should like to thank the committee for the consideration they have shown me. I know that they would be actuated by the same motives as I if they had all the facts.

Mr. DAVIS of Wisconsin. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin [Mr. DAVIS]?

There was no objection.

Mr. DAVIS of Wisconsin. Mr. Chairman, I rise in opposition to the amendment.

The committee acted advisedly in the reduction of the amount made available for this project. We had before us a request for \$1 million for this project. The gentleman from Kentucky seeks to restore the full amount for that project. However, if the gentleman will turn to page 334 of our committee hearings he will note that the estimated unobligated balance on this project as of June 30, at the end of this fiscal year, will be \$605,000. When that is added to the \$700,000 which is carried in this bill, you have a total of slightly more than \$1,300,000 which is considerably more than the original request before the subcommittee. In view of the fact that our committee was fully cognizant of this situation when we acted—and I believe the committee acted in good judgment in dealing with this matter—I hope the committee will be sustained.

Mr. RILEY. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield to my colleague on the committee.

Mr. RILEY. I thank the gentleman for yielding to me. We are very much in sympathy with the distinguished gentleman from Kentucky [Mr. SPENCE]. The committee went into this matter thoroughly and found, as the chairman has stated, that we have \$605,000 of unused funds which, with the \$700,000 which is approved, would come to \$1,305,000 which we understand will practically complete the wall but will not complete the pumping station. So it would take another year's appropriation, anyway, to complete this entire project. According to the testimony, this will be a feasible and a practical construction method for the project and will not result in any lost time in building the wall to protect the fine city of Maysville in Kentucky.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield to the gentleman from Kentucky.

Mr. SPENCE. I was cognizant of the fact that there was a \$605,000 unexpended balance. I would not have offered this amendment if I had not called the Army engineers and been told by them that the failure to make the full appropriation would delay construction of the project by 6 months.

Mr. DAVIS of Wisconsin. I am not sure that that is the fact with respect to the protective works. As the gentleman from South Carolina pointed out, there is a pumping plant situation there that does exist, but this adequately takes care of the protective works situation and I think represents a reasonable way of handling construction on this project.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky [Mr. SPENCE].

The amendment was rejected.

Mr. PASSMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, during general debate yesterday on the bill before the committee this morning, in my remarks I expressed the desire that the Public Works Committee report out a bill authorizing the Old River control structure in Louisiana, and also the St. Lawrence seaway.

Later during the discussion the gentleman from Louisiana [Mr. BROOKS] placed his endorsement on this project. I asked my colleague to yield, which he gladly did, and in response to my statement he said:

I thank my colleague from Louisiana. He will find that I do not limit my support to projects located within my home district in the State of Louisiana. This is an excellent project, and it should receive the careful and serious attention of the Congress.

I asked for this time, Mr. Chairman, so that I could explain to the Committee that the gentleman did not wish to leave this Committee under the impression that I limit my activity strictly to my district in the State of Louisiana. I do not believe my distinguished colleague was present when I addressed the Committee, because just prior to that I had endorsed the St. Lawrence seaway and the closure of Old River. I wanted to correct the RECORD.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I will be happy to yield to the gentleman.

Mr. BROOKS of Louisiana. I will say to my distinguished colleague from Louisiana, who represents the congressional district adjoining mine, and with whom I have been on the most friendly terms, that, of course, I had in no way any intention of reflecting upon his program of helping with any flood-control projects whether they are located in his own district or not. I think my colleague is a little sensitive with reference to the matter, and I tried to get the floor before he did to clear up any doubt that might be in his mind with reference to that one statement. No one familiar with his record would fail to give him full credit for his most active service as president of the Mississippi Flood-Control Association.

The House will find that I do not limit my support to projects located within my home district in the State of Louisiana. It so happens, Mr. Chairman, with reference to this particular project that my family homestead is located within the shadow of where that project will be built in Louisiana when it is approved and authorized and the funds are appropriated. I think it is a project that means a great deal to the whole

State and to the whole South; consequently, I am very much for it.

If the gentleman had any misgivings in reference to my remark that I did not limit my approval of projects to those located within the district which it is my honor to represent in Congress, I am cheerfully glad to clear up any doubt or mental misgivings he may have in reference to that particular remark.

Mr. PASSMAN. May I say to the gentleman from Louisiana that it was not my purpose to debate this on the floor. Rather, I desired the Record to show there was no misunderstanding about the fact that the gentleman did not wish to imply that I limited my activities to the Fifth Congressional District of Louisiana. I am very happy the gentleman understands I am active in my support of worthy projects in my district as well as in my State and the entire Nation.

Mr. DAVIS of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. DAVIS of Wisconsin. I think the completely reasonable and fair attitude of the gentleman from Louisiana, who is now addressing the Committee, toward projects that are important in all sections of the United States is so well known by members of the subcommittee which handles the appropriations for these projects that it is just not necessary for that comment to be made here by any member of the subcommittee. But in order that the record may be somewhat complete, I certainly do want to say that not only in his service as a Member of the Congress, but in his capacity as president of the Lower Mississippi Valley Flood-Control Association the gentleman from Louisiana has shown an attitude that is completely devoid of any provincialism and, in addition, has exhibited great knowledge of the problems with which we are confronted in this work.

Mr. PASSMAN. I thank the distinguished gentleman from Wisconsin, and I also want to thank my colleague, the gentleman from Louisiana, for clearing up what may have been a misunderstanding. I merely wanted to have the record correct so that those who might read the Record would not be under the wrong impression.

Mr. BUSBEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUSBEY: On page 3, line 22, strike out the sum "\$278,777,000" and insert "\$283,777,000."

The CHAIRMAN. The Chair must state to the gentleman from Illinois that he must obtain the unanimous consent of the committee to introduce his amendment at this time, since the Clerk has already read to page 6.

Mr. BUSBEY. Mr. Chairman, I appreciate that and I do now ask unanimous consent under the same conditions that it was granted to the gentleman from Kentucky [Mr. SPENCE].

Mr. DAVIS of Wisconsin. Mr. Chairman, reserving the right to object, and I shall not object in this particular case because I know that the gentleman from

Illinois was on the floor ready to offer his amendment at the time this section of the bill was read. But, I shall be inclined to object in any case where Members who were not on the floor might attempt to return to this part of the bill at a later time.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BUSBEY. Mr. Chairman, I believe it is only natural for the American people to be bargain hunters. That is just human nature. On this amendment to increase the total amount by \$5 million to \$283,777,000, I am offering one of the biggest bargains that has ever been submitted to the House of Representatives. The United States Government is in a position to gain a property which is worth hundreds of millions of dollars.

I hope this amendment will be adopted in order that construction may start on what is known as the Calumet-Sag Channel. The Calumet-Sag Channel is that little strip of land between Lake Michigan and the Illinois River, that flows into the Mississippi River. It would mean a great deal to every section of the United States, and it is vital to the defense of our country.

This channel was started fifty-odd years ago because of a sewerage problem which existed in Chicago. Because the Sanitary District of Chicago has spent millions of dollars in sewerage treatment plants, we are no longer confronted with that problem. But, this channel is there. Although it is only a 60-foot channel and was not meant for commerce, the tonnage of freight moving up and down this little channel has increased by millions of tons every year.

This project has been authorized since 1946. This civil functions appropriation bill carries with it this year—I believe I am correct, and the chairman of the subcommittee can correct me if I am not—a total amount of \$40,000 for planning and surveys, which should be enough to complete all the planning work that has been done over the past 10 years. Now, it is all ready for construction.

If the Federal Government had to build this channel today—that is, replace the present channel—it would probably cost in excess of \$200 million. With this channel widened from 60 feet to 225 feet, it means that oceangoing vessels can make the run all the way from Europe, through the St. Lawrence River, into the Great Lakes, out through the Calumet-Sag Channel, into the Mississippi River, and then out into the Gulf of Mexico.

During World War II, our Government wanted to build larger ships on the Great Lakes—many of them in the State of the gentleman from Wisconsin [Mr. DAVIS], as well as in the State of Michigan—but they could not do it because they could not get the ships from the Great Lakes down the Mississippi River to the Gulf of Mexico. Some ships had to be divided in parts and shipped through the Chicago River, then down the Mississippi River. The widening of

this channel to 225 feet will be a boon to the entire United States.

This \$5 million is to start construction. It is estimated it will cost somewhere in the neighborhood of \$125 million to complete the project.

I do not know how correct are the people who are talking about a recession and an unemployment problem. We are given figures from all sides that are very far apart, but I do know one thing. If we should get into a recession, it would be a godsend to have something like this project under construction to take up that slack, rather than to have people raking leaves, as we did in the old WPA days.

Mr. Chairman, this is a defense measure. For the sake of economy and to take advantage of a bargain, because the Chicago Sanitary District is willing to turn over the entire Calumet-Sag Channel without cost to the Federal Government, I hope my amendment is agreed to.

Mr. O'HARA of Illinois. Mr. Chairman, I am disappointed that the committee is not providing funds for the Calumet-Sag development. It has been many years since the Congress authorized the project. The truth is that the bottleneck now prevailing is the most serious and the least excusable in our entire system of inland waterways. The failure of the Congress to make the necessary appropriation for the widening of Sag Channel and the completion of the Lake Calumet development is holding up the march of progress in the entire Middle West and in the Mississippi Valley region.

Presiding as president over the deliberations of the Mississippi Valley Association, Henry F. De Bardeleben said:

Cal-Sag ceased to be a local problem and became a national one. That channel ceased to be one that merely hampered Chicago's industrial expansion. Instead, it appeared in its true guise as a bottleneck that curbed and curtailed the operation and growth of our whole inland waterway system.

Thus the Cal-Sag project was shown as vitally important to every industrial center from Superior and Duluth to the Gulf of Mexico. It was seen as a problem that affected New Orleans almost as much as it affected the city in which the channel lies.

Mr. Chairman, I join with my colleague from Chicago [Mr. BUSBEY] in urging favorable action. The sure way to get out of the recession blues is to start digging Cal-Sag. The project will immediately open up a billion dollars in new business.

Mr. DAVIS of Wisconsin. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

The CHAIRMAN. Is there objection? There was no objection.

Mr. DAVIS of Wisconsin. Mr. Chairman, I yield to the gentleman from South Carolina [Mr. RILEY].

Mr. RILEY. Mr. Chairman, we realize of course that this is a very worthy project. There is no question that it could be used to great advantage, as the distinguished gentleman from Illinois [Mr. BUSBEY] has outlined to the Com-

mittee. But in the first place I wish to call to his attention and the attention of the Committee the fact that the engineers themselves requested only \$40,000 for this project. It will take \$40,000 to complete the planning for the widening of this channel. It has been the experience of this committee that starting construction before adequate and realistic planning, involves considerable loss to the Government. When you start construction work before you have adequate plans and are unable to get bids on the proper competitive basis, then you are wasting the Government's money. The cost is always higher than it is when you have realistic and proper planning. So for that reason I hope this amendment will be defeated and that the engineers will be allowed to go ahead with their planning so that consideration can be given next year to this very important project.

Mr. DAVIS of Wisconsin. Mr. Chairman, I wish to completely confirm my own belief in the point of view which the gentleman from South Carolina [Mr. RILEY] has expressed. I should like to call the attention of the sponsor of the amendment to the top of page 10 of the committee report, in which we express considerable concern with the attitude of some of the people in that area toward maintenance of the Illinois Waterway.

I believe that because of his interest in this project the gentleman from Illinois can perform a very useful service by calling to the attention of those people down there the language of the committee report, because it does represent a real problem. We asked the Chief of Engineers to file with the committee a report of actions taken to alleviate these illegal deposits, by December 15 of this calendar year. In the final analysis, the solution of this need for the Calumet-Sag Channel will come back to the point of the cooperation that we are going to get from the people in the local community there in dealing with this problem of illegal deposits. If we can get the kind of cooperation we need in solving this problem, if we can get the rather knotty bridge relocation problem straightened out there, then I think in good conscience that the gentleman from Illinois will be able to come back perhaps a year from now and ask this Congress to initiate construction.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired; all time on this amendment has expired.

The question is on the amendment offered by the gentleman from Illinois [Mr. BUSBY].

The amendment was rejected.

Mr. YOUNGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am not going to introduce an amendment in regard to the request which I had for a million dollars for the Redwood City Harbor; but if you will turn to page 7 of the committee report, you will find there a statement by the committee as to why that fund was deleted; and I want to address my remarks to their reasoning.

In the first place, this item was in the Truman budget of last year. It was de-

leted in the Eisenhower budget of last year. The committee assured me that they were not inserting any items that were not in the budget so far as their appropriation was concerned, and we accepted that.

This year it was in the budget. During the interim a study was made by the Bureau of the Budget with the Engineers, and they were convinced that this item was justified and that it should be in the budget; but the committee has deleted the item, and to justify their action they make certain statements.

None of these statements were made when I appeared with the manager of the port and with the executive assistant of my colleague the gentleman from California [Mr. GUBSER]. Not one question was raised on the points on which the committee has turned down the appropriations, so we had no opportunity to answer their question, anyway, nor was there any indication that there was in the mind of any member of the committee a question as to the right of this. They say that this should have complete agreement of all of the people in the city. I do not know of a project that could have 100 percent agreement; that is not consistent with our democratic process, where we operate on a majority. There has been one bond issue, but that pertained to a 1950 authorization, and that bond issue carried an affirmative vote of 62 percent. It did lack 66%, which is required to pass a bond issue. But I ask the gentleman, How many of you here in this House who had more than a 62-percent vote of the votes cast in the election? And yet you feel that you represent the will of the people in your district. I think this project does represent the will of the people with a complete 62-percent vote.

They say they want the city to comply with the requirements of the Rivers and Harbors Act of 1950. Not one dollar of the \$1 million requested in this appropriation has anything to do with the 1950 authorization. This fund is the amount remaining of an authorization that was made by the 79th Congress in 1941 and has to do with the channel out in San Francisco Bay. We are perfectly willing and we will comply with every requirement made in the 1950 authorization as, if, and when we come before this body and ask one dollar for that authorization.

It is my intention, because this amount is recommended by both of our Senators, to request that the item be inserted by the other body. I am not going to take the time of this House to further discuss it. However, I shall later ask unanimous consent to insert in the RECORD telegrams and a statement by the port manager in regard to this matter. I hope when the matter comes back, if it is passed by the Senate, and I feel sure it will be, that the conference committee will accept it.

SAN CARLOS, CALIF., March 16, 1954.

Congressman YOUNGER,
House Office Building,

Washington, D. C.:

Request appropriation Redwood City Harbor be reconsidered.

RUSSELL ESTEP,

Secretary, Belmont Chamber of Commerce.

SAN MATEO, CALIF., March 16, 1954.
Congressman ARTHUR YOUNGER,
House of Representatives,
Washington, D. C.:

Urge you to renew effort to obtain \$1 million Federal appropriation for port of Redwood City development. We believe it is necessary in order to hold present industries and to encourage new industries to locate in San Mateo County.

JOHN O. MORAN,
President, San Mateo Chamber of Commerce.

REDWOOD CITY, CALIF., March 15, 1954.
Congressman J. ARTHUR YOUNGER,
House Office Building,
Washington, D. C.:

Strongly urge reconsideration in committee or on floor of appropriation for Redwood City Harbor. We have just met with industrialists, port, and city officials and feel our future industrial development will materially suffer. Many of our potential industries are contemplating port facilities. Your cooperation is deeply appreciated.

REDWOOD CITY CHAMBER OF
COMMERCE,
E. W. BUTLER,
Executive Vice President, Manager.

REDWOOD CITY, March 15, 1954.
Congressman J. ARTHUR YOUNGER,
House Office Building,
Washington, D. C.:

This association is highly interested in the development of the Port of Redwood City from a county industrial angle. Request and strongly urge that you continue your efforts to the fullest extent to have Congress act favorably on the budgeted item of \$1 million for improvements to the Redwood City Harbor. Regards.

SAN MATEO COUNTY DEVELOPMENT
ASSOCIATION,
JAMES E. FITZGERALD, President.

REDWOOD CITY, CALIF., March 16, 1954.
Congressman J. ARTHUR YOUNGER,
House Office Building,
Washington, D. C.:

Special meeting of port commission held today. Mayor and other representatives of city council, representatives of large industrial concerns, Army engineers, chambers of commerce, banking property owners, newspapers, and other important interests present all fully endorsed my letter to you dated March 13 and request that you continue your efforts to the fullest extent to obtain favorable action by Congress. It was felt that it would be highly desirable to have favorable action by House as well as the Senate, but leave to you and Senator KNOWLAND decision as to best procedure to be followed. Please give copy of this to Senator KNOWLAND's office.

Regards,
M. D. McCARL.

REDWOOD CITY, CALIF., March 16, 1954.
Congressman J. ARTHUR YOUNGER,
House Office Building,
Washington, D. C.:

The City Council of Redwood City unanimously this evening reaffirmed their resolution previously forwarded to you requesting the appropriation of \$1 million for the purpose of carrying out the work in dredging and widening San Bruno Shoals and Redwood Harbor. The council regrets the committee action in deleting this item from the budget and respectfully urges you to do all in your power to see that this item is restored to the budget. This project is vital to all industries in the area. The council assures you that the local cooperation required in this project has been proved.
CITY COUNCIL OF REDWOOD CITY,
FLOYD D. GRANGER, Mayor.

SAN FRANCISCO, CALIF., March 15, 1954.
Congressman J. ARTHUR YOUNGER,
House Office Building,
Washington, D. C.:

We are extremely disappointed in the action of House Ways and Means Committee in rejecting the harbor-improvement project at Redwood City, Calif., which action will greatly retard industrial development in the adjacent area. We will do everything within reason to assist local interests in meeting their obligation to the Federal Government in connection with this project, which is vitally important to the area.

LESLIE SALT Co.

REDWOOD CITY, CALIF., March 16, 1954.
Congressman J. ARTHUR YOUNGER,
House Office Building,
Washington, D. C.:

Consider adverse action of House committee on million-dollar improvement to Redwood City Harbor and Channel at San Bruno Shoals serious blow to present industries and future industrial expansion in south bay area. At meeting held today, interested parties certain that local participation required for future shore facility expansion forthcoming at required time. Urge your efforts in presentation on floor of House for approval of project, based on projects being vital to present and potential industrial development south bay area.

J. E. MORRISH,
First National Bank of San Mateo
County, Redwood City.

SAN MATEO, CALIF., March 15, 1954.
J. ARTHUR YOUNGER,
Members of Congress,
Old House Office Building,
Washington, D. C.

HONORABLE SIR: Urge that you vigorously support the program to budget Redwood City Harbor improvement fund when it comes before Senate Subcommittee on Appropriations tomorrow. Understand subcommittee advised local controversy over this item. In my opinion 62 percent vote in favor of bond issue clearly indicates widespread public support of project. Only handful of local people with selfish interests have opposed project. Will appreciate your wholehearted support.

DAVID D. BOHANNON.

REDWOOD CITY, CALIF., March 15, 1954.
Congressman J. ARTHUR YOUNGER,
House Office Building,
Washington, D. C.:

We are greatly disappointed on hearing that the House Committee on Appropriations has recommended that the item, \$1 million, covering the deepening of the channel to Redwood City part, be deleted from the bill. This project, approved by Congress in the River and Harbor Act of March 2, 1945, will help greatly in the industrial development of the south bay area. We hope you will put forth every effort to get this item included in the approval of the bill when it comes to a vote in the House.

NATIONAL MOTOR BEARING CO., INC.,
A. E. WEROLIN,
Vice President, General Manager.

PORT OF REDWOOD CITY,
Redwood City, Calif., March 13, 1954.
Congressman J. ARTHUR YOUNGER,
House Office Building,
Washington, D. C.

DEAR ARTHUR: Thanks for your telephone advice and telegram of March 11, and telephone call of March 13. Not knowing just what testimony was presented by the opposition and who presented same, it is somewhat difficult to know just how to answer it. From what was reported in the newspapers and based upon testimony presented last year, we have good reason to feel that testi-

mony presented went far afield from the issues in the case; part of the testimony was erroneous and the whole idea of the opposition was to mislead and confuse the committee.

The facts as I see them are as follows:

1. The requested appropriation of \$1 million was for the purpose of carrying out the work involved in the project approved by Congress in the River and Harbor Act of March 2, 1945. This is borne out by a detailed project schedule and sketch showing work to be performed prepared by and on file in the office of the district engineer. I checked this with Colonel Walker, the district engineer, before I prepared the written statement which I submitted to the House and Senate committees. The local cooperation required in this project, as set forth in House Document No. 94, 79th Congress, 1st session, is that the municipal authorities provide spoil-disposal areas. This, as stated on the last page of my statement, the municipal authorities are prepared to do. This does not involve in any way local bond issues.

The opposition, however, has seen fit to inject the matter of local bond issues into the picture with the idea of trying to convince the members of the committee that the people of Redwood City are not favorable to the port and that the local authorities would, accordingly not be in a position to carry out their obligation to the Federal Government. The River and Harbor Act of 1950 providing for an extension of the 30-foot channel covered by the River and Harbor Act of March 2, 1945, 1,300 feet upstream and the dredging of a new turning basin, which work is not contemplated to be performed out of funds to be made available by approval of the appropriation in question, does involve an obligation on the part of local authorities. The obligation is clearly set forth in House Document No. 104, 81st Congress, 1st session. The extent of the financial obligation, when required, is indicated by the following quotation from the House document, page 30:

"Local interests have expressed a willingness to cooperate with the United States to accomplish the desired improvement and to meet the requirements discussed and outlined under the heading 'Proposed local cooperation.' It is estimated that these requirements could be met at an estimated first cost of \$246,000 of which \$220,000 is self-liquidating and has not been included in project costs. It is the opinion of the district engineer that local interests could and would meet these requirements."

It apparently was the opinion of all parties including the district engineer; the division engineer, South Pacific division; the Board of Engineers for Rivers and Harbors; the Chief of Army Engineers; the State of California; the Department of the Interior; the Secretary of the Army, and of Congress itself when they approved the improvement project for Redwood City Harbor which was enacted into law through the River and Harbor Act of 1950 that the Redwood City authorities would be fully able to meet the requirements of local cooperation. It is most difficult to understand why a committee of either House of Congress should, merely by listening to a few opponents of the port—interests who are in severe competition with the port—now question the ability of local interests to meet their obligation to the Federal Government at such time as same becomes necessary. There is absolutely no reason for such questioning.

As a matter of fact, the surplus cash which the port now has on hand—accumulated profits—together with its annual earnings, is adequate insurance that the local cooperation requirements will be fully met. The committee should not be confused by testimony of the port's competitors. The people of Redwood City now fully appreciate the value of the port to the community, the

county, and the entire South Bay area. Should the cash on hand under the complete jurisdiction of the board of port commissioners not be entirely adequate to meet the entire local requirement, there is no question but what a bond issue to make up any small deficit would be overwhelmingly approved—possibly close to 100 percent. In addition to the accumulation of the cash surplus referred to above, the net earnings of the port have been sufficient to enable it, since 1943, to make its own annual payments for bond retirement and interest. This was not a legal requirement when the bond issue for port purposes was approved by the people in 1936. Had the board of port commissioners so desired, they could have accumulated a very large cash surplus instead of paying off its bonds and thus relieve the taxpayers of this obligation. For an investment of approximately \$100,000, the people of Redwood City now have a going, profit-making port with net assets of well in excess of \$1 million. The port is regularly, out of its earnings, making capital expenditures for improvements to its facilities.

The recent resolution adopted by the Redwood City City Council, copies of which were forwarded to you, Senator KNOWLAND, and others is ample evidence of the backing which the Port has by the city council. One of the requirements (House Document No. 104) in connection with the 1950 approved project, is that the port arrange with responsible local interests to relocate, without cost to the United States, the municipal yacht harbor and provide new facilities at least equal to those now available. This requirement is now being taken care of by the city council. Requirements (a) and (b) pertaining to spoil-disposal areas, etc., pose no problems whatsoever. Requirement (d) pertaining to shore facilities, existing and new, is covered above. The only reason for going into these matters pertaining to the 1950 approved project at this time is that the House committee apparently requires it. The Chief of Army Engineers Office would undoubtedly confirm the fact that the work contemplated to be performed out of the \$1 million requested appropriation under consideration is that included in the River and Harbor Act of March 2, 1945.

A telephone call a few days ago from the office of the district engineer, where word of the House committee's recommendation was received, was to the effect that the local engineers couldn't understand the basis of the decision of the House committee because no local funds are involved in the requested appropriation under consideration. The party speaking for the district engineer stated that it was the district engineer's intention, prior to requesting an appropriation next year for the 1950 approved project, to contact this office in order to obtain assurances in the way of appropriate resolutions, etc., that the local interests would take the necessary steps to meet their requirements in order to have the Federal Government proceed with the extension project, including the new turning basin.

Regarding the local bond issues, the opposition apparently stated that on three separate occasions the people of Redwood City have refused to approve a bond issue for port improvement. According to information obtained from the city clerk, this statement is in error. The information given at the time of preparation of my letter to you dated March 5 was that only one bond issue was voted upon subsequent to the creation of the port department in 1936—that of 1953.

However, upon further investigation it develops that in March 1941 the people voted on an issue of \$150,000. The yes vote on this issue was 1,041 and the no vote 975. As a 66-percent yes vote was required, the issue failed to carry. The next bond issue voted upon was in 1953, when the people were asked to approve an issue of \$1 million to cover a

sizable expansion program involving new transit sheds, warehouse facilities, wharf extension, high water storage tank, new administration building including steamship offices, etc. This issue received a 62-percent yes vote against 38-percent no vote, a very good majority but not quite sufficient to meet the 66 $\frac{2}{3}$ -percent requirement for passage. It lost by only a little over 200 votes. Outside interests were responsible for failure of the issue to carry. The day before the election, cards urging a no vote and containing grossly erroneous information were placed on every voter's doorstep by the opposition. This unfair and unethical action was sponsored by the same outside interests which have opposed the port in every effort it has made to progress. It is believed that the steadily increasing interest of the people in their port will fully insure the passage of a future issue which may be put to them, even though the issue be for a much greater amount than that (very small amount, if any), required to meet the obligation with the Federal Government. Again I repeat there is no basis for any contention or feeling that the local authorities will not be able to meet their obligation to the Federal Government.

In April 1950 a complicated lease arrangement involving some war surplus buildings which were located in San Francisco and which had to be removed on short notice, was submitted to the people for their approval or disapproval. The board could legally have taken action on this without submitting same to the people had they so desired. The board, however, didn't want to proceed with the proposed arrangement involving private capital and participation of private interests in port earnings unless the people were in favor of it. This was in no sense a bond issue. As a matter of fact, it required only a majority yes vote for approval. The no votes registered slightly exceeded the yes votes. Apparently the opposition, outside interests (principally private) who do not want to see the port's facilities—wharves, transit sheds, etc.—which were built out of public funds utilized for the purpose for which they were intended—that of water transportation—used this as another instance of disapproval of the port by the people of Redwood City or of their not wanting to saddle themselves with more port expense. This poses the question: Since when have large annual profits become expense items? Our opponents have proven that they will stop at nothing to gain an end.

2. Steamship service:

The Pacific American Steamship Association comprises only 12 American-flag steamship companies. Several of these have never been asked to call at the port's facilities and we hardly expect them ever to call, by reason of the trade routes they serve and the fact they are primarily in the passenger service. Traffic managers of other lines have assured shippers and the writer that they will call when channel conditions are improved, and there is no question but what they will call as they will be forced to by shippers controlling the routing of large quantities of cargo. It is an old axiom that vessels will call wherever large quantities of cargo are available. This was true of Portland, Oreg.; Oakland, Calif.; Stockton, Calif.; Long Beach, Calif.; Houston, and thousands of other ports throughout the world. It might be well to quote into the record at this time a section of the Merchant Marine Shipping Act, 1936, which is pertinent to the issues of our case. The section reads as follows:

"Sec. 205. Without limiting the power and authority otherwise vested in the Commission, it shall be unlawful for any common carrier by water, either directly or indirectly, through the medium of an agreement, conference, association, understanding, or otherwise, to prevent or attempt to prevent any other such carrier from serving any port

designed for the accommodation of ocean-going vessels located on any improvement project authorized by the Congress or through it by any other agency of the Federal Government, lying within the continental limits of the United States, at the same rates which it charges at the nearest port already regularly served by it."

The attorney for the European conference has informed the members of the conference that the matter of calling at the port of Redwood is not a conference matter. He said it is up to each individual line to make its own decision. Some of the members of the conference have informed shippers and the writer that they will serve the port when channel conditions are improved so that vessels can enter and depart from the harbor with safety at any hour of the day or night. This they cannot do at the present time. No certificate is required from any regulatory body before commencement of operation. Thus the selfish competitors, principally private (one of the competing terminals in the East Bay owned by the California Packing Corp., which large company is competitive with the many canners and dried-fruit packers in the port's tributary territory who want to route their shipments via the port of Redwood City, and will do so as soon as channels conditions are improved), will be unable to prevent the port from obtaining steamship service for the movement of general cargo. The movement of general cargo would thus bring into use certain of the port's costly facilities which were built out of public funds for such purpose.

The Pacific American Steamship Association represents only a very small percentage of the steamship lines serving in the bay area. There are now about 111 lines whose vessels call at bay ports regularly, most of the vessels being under foreign registry and having no connection whatsoever with the Pacific American Steamship Association.

3. Cargo availability:

It is quite generally known throughout the Nation that a very large percentage of the fruit canning and processing industry is located in the world-famous Santa Clara Valley, which is part of the port's tributary territory. Other products of the soil, manufactured goods, etc., are produced in large volume in the area tributary to the port and are available for shipment from the port. Numerous industries are located in the port's tributary territory and add greatly to the cargo potential. The Ford Motor Co. is now constructing a \$40 million to \$50 million plant only about 10 miles distant from the port. In the eastbound intercoastal service alone, testimony and exhibits on file with the Interstate Commerce Commission are indisputable evidence that, with the exception of lumber and petroleum products, more cargo (the most attractive type of cargo, too) can be offered from the port of Redwood City than from any other port on the Pacific coast. With all this cargo available for movement to and from the port, can anyone imagine that steamship companies will not serve the port as soon as safe and adequate channel conditions become available? Wharf, transit sheds, and large improved open areas are now available and in readiness for immediate use as soon as the Federal Government fulfills its obligation through performance of the work involved in the Redwood City Harbor Improvement project enacted into law through the River and Harbor Act of March 2, 1945.

4. New tonnage to be created through extension of steamship service to the port of Redwood City:

Parties testifying for certain steamship interests and for certain terminal interests (principally private, as the Howard Terminal, Oakland, and the Encinal Terminals, Alameda, now handle most of the tonnage which is shipped by water out of the port's tributary territory—territory where the land transportation costs are lower to the port of Red-

wood City than to the other ports), have no doubt stated that no new tonnage would be created through vessels calling at the port of Redwood City; that only a diversion of cargo from other ports would take place. Shippers who have the control of the routing of large quantities of cargo via rail, truck, and water state that new tonnage will be created. There should be no question in anybody's mind but that the controlling factor in the routing of cargo is the cost of transportation. In the development and use of any new port, there is no question but what a certain diversion of cargo takes place; in other words, an economic readjustment in the transportation of goods. The savings in transportation costs are considered of national benefit and, as I understand it, this is the principal basis on which Congress determines whether or not the creation and development of new ports are justified. Congress has already determined that from a benefit-cost ratio standpoint, the port of Redwood City and the approved improvement projects for Redwood City Harbor were well justified. Millions of dollars in the area have been invested on the strength of the actions of Congress in approving the projects. Again we repeat that there is an obligation on the part of Congress to do what it led the good people of this area to believe it would do when it approved the projects.

5. Reference to controversy in the State of California as to the economic feasibility of the work under consideration:

The State of California has approved the improvement projects for Redwood City Harbor. Whenever there is competition, there is bound to be some controversy amongst competitors. However, competition is what has made America great.

Something might have been said by the competitors about the Northern California Ports and Terminals Bureau. The port of Redwood City received a written invitation, as a general cargo port, to join with other general cargo ports in the formation of such a bureau. Acting upon the invitation, the board of port commissioners adopted a resolution signifying its intention to join such a bureau, but withholding temporarily any financial contributions pending favorable action by Congress on the item for Redwood City Harbor now in the Federal budget. Until the channel is improved, the port of Redwood City would have no chance of participating in the benefits accruing from the formation and activities of the bureau.

6. Impossibility of efficient port operation under existing conditions (supplementing what was incorporated in the written statement):

Under existing conditions, efficiency in port operation is impossible of accomplishment. For example (and this supplements what has been said about new tonnage and increased activity on the waterway), on April 5 the steamship *Marine Fiddler*, a C-4 type vessel—522 feet in length, 14,863 dead-weight tons—is scheduled to call at the port to discharge about 500 tons of cargo for the naval air stations at Moffett Field, a few miles south of Redwood City. This vessel is to be followed by other vessels with cargo for the Navy. It is much cheaper and more practical for the Navy to handle the cargo for Moffett Field at the port of Redwood City than at other ports.

The *Marine Fiddler* is expected to require a berth for 2 or 3 days because of the special nature of her cargo (heavy lift and very valuable). If the vessel is docked at berth No. 1, where transit shed space is available for cargo requiring covered storage, it will practically make inoperative berths No. 2 and 3 which are used regularly for the loading of cement in bulk and discharging of gypsum rock in bulk (shipload lots), by reason of the inadequacy of the channel and turning basin. Should a vessel arrive for

salt at the same time the other vessels arrive and providing they arrive in 4, 3, 2, 1 order (berth numbers), so that they can be placed in their respective berths, there will be 4 large oceangoing vessels and possibly several barges in port at one time. Efficient port operation under existing channel and turning basin conditions just isn't possible, to say nothing of the hazard which exists when a large number of watercraft, including barges loaded with large quantities of bulk gasoline, use the waterway at one time.

It is difficult to understand how any member of the committee could be misled by the erroneous and misleading statements of the opposition when our own testimony was so complete and apparently convincing, judging by the statement of Congressman HAND, acting committee chairman, at the conclusion of our testimony.

The Federal Government has incurred a very definite obligation to the people of the south bay area and it is to be hoped that the fulfillment of this obligation will not be further delayed.

Sincerely,

M. D. McCARL, *Manager.*

Mr. GUBSER. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I wish to associate myself with the remarks of my colleague, the gentleman from California [Mr. YOUNGER], and will join him in requesting the Senate to restore the \$1 million item for the port of Redwood City.

Although the port is not located in my district, I am particularly interested in its improvement because its facilities are used by industry located in my congressional district, and would be used even more extensively once the port is improved.

In this, I have the support of business and industry of my district, including the chambers of commerce of the cities of San Jose, Santa Clara, Mountain View, and Sunnyvale. Another group strongly advocating improvement of the port is the California Prune and Apricot Growers' Association which, among others, would benefit from approval of this budget item.

Dried fruit and canned goods shippers of central California would benefit from the port improvement through reduction of their transportation costs, and through more expeditious handling of their shipments. Some 200,000 tons of canned goods and dried fruit are shipped annually to Atlantic ports in the intercoastal trade from my area. At the present time, shippers must transport these shipments from their Santa Clara Valley plants to a dock at San Francisco, Oakland, or Alameda, involving a truck haul of about 50 miles. Considerable congestion is encountered at such docks.

Were these shippers able to use the port of Redwood City—and they will, once the improvements under the \$1 million budget item are made—the congestion now encountered at San Francisco and East Bay docks would be eliminated, and the truck haul would be reduced to half the mileage. Transportation charges to the dock would thus be cut by approximately 75 cents per ton, and the shorter distance to the port, plus freedom from congestion, would result in faster turnabout of the trucks, and would thus enable shippers to adjust

their plant operations to effect further economies.

The Permanente Cement Co., which operates one of the largest cement plants in the world, in my district, is also the largest user of the port of Redwood City. If one of the cement ships should be grounded or otherwise damaged through the present hazardous condition of the channel, this would be disastrous to the movement of a vital defense cargo, since there are no other such specialized ships available.

During 1953 about 3 million barrels were shipped through the port by Permanente, and the company expects further increases in future shipments. Because of Permanente's unique and efficient bulk-loading and discharge method, the cement is laid down in Anchorage, Alaska, at a 25-percent saving to the Government below that of the cost of the old practice of shipping packaged cement.

I also urge improvement of the port of Redwood City as a means of creating an alternate harbor for emergency use in war or other disaster periods.

At present channel and harbor at Redwood City are inadequate for deep-draft vessels in loaded condition. Movement of these vessels can take place at high tide only. The channel is too narrow to permit movement of ships after dark. Thus much time is lost while vessels wait for tide and daylight to sail. Often military-assigned cargoes are involved. Another result of current conditions is the blocking of the channel for movement of other vessels when ships load or unload.

Experts have predicted that within a mere 10 years San Jose will be the hub of a solid metropolitan area along San Francisco Bay to the Golden Gate in the west and Richmond in the east. No other section of California currently experiences the rate of industrial growth now taking place in Santa Clara County. An area of such present and future industrial activity, productivity, and potential should not be arbitrarily tied to shipping outlets in San Francisco and Oakland where dock facilities are relatively inaccessible, and expansion is expensive, if at all feasible.

I sincerely hope the Senate will see fit to restore this item.

Mr. JOHNSON of California. Mr. Chairman, I move to strike out the requisite number of words.

I am very disappointed that some money was not allowed for the repair and strengthening of the San Joaquin River levees. This is an improvement that has been necessary for many years, and I cannot understand why the United States engineers do not recommend some work on these levees after the very devastating floods which we have had during the past 5 years.

The San Joaquin River accepts all the water which flows from the numerous streams coming out of the high Sierras, including the Calaveras River, and all the rivers south of there, which empty into the San Joaquin. Of course, the numerous irrigation projects which have dammed some of the rivers and retained some of the waters have furnished a mild

type of flood control. But the fact that there have been 40 floods during the 50 years that have just passed, indicates how treacherous this river can be. In the flood of 1951, it was so violent that it tore out a very sturdy concrete highway bridge on route 50. It also tore out a large and sturdy railroad bridge of the Southern Pacific Railroad Co. It inundated a great many fertile lands lying along this river. The damage was \$7,500,000.

There was an unexpended fund of money from various appropriations on flood control, including the Cherry Valley project, or \$583,600 which could be used to start this levee work.

To indicate how fertile the land is which receives this drenching by these floods, because of the inadequacy of the levees, I need merely state that the two counties which comprise my congressional district, Stanislaus County and San Joaquin County, last year raised crops valued at \$288 million. We simply must find some way to control the waters, or the damage will become unbearable. I am hoping that the other body will perhaps include in their version of the flood-control and rivers-and-harbors bill of this year, an item to start this work immediately.

The reason that this area is so susceptible to flooding is the fact that the area on either side of the river is almost at sea level. At the Stockton port, where the Stockton Channel and the San Joaquin River merge, the area is only 12 feet above the sea level. The California Water Resources Board this year testified that they felt that the \$500,000 mentioned above could be utilized for the purpose of starting this levee work. Why the committee did not accept that suggestion, since they adopted all other suggestions of the California Water Resources Board, is hard to understand. We have repeatedly, over a period of years, brought this to the attention of the House Civil Functions Subcommittee of the Appropriations Committee. We hope that this request will lay the basis for some appropriations next year by the House committee, and we also hope that, if the Senate places some of these funds in the bill, the House conferees will concur in that amendment to the present bill.

This great area was reclaimed by the construction of numerous levees in the delta of the San Joaquin and Sacramento Rivers. It is said to be one of the richest pieces of land in the entire world, and the crops that are raised there are simply fabulous.

Let us hope that the protection which these landowners and farmers require will soon be forthcoming.

Mr. DODD. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I am pleased and grateful that the House Appropriations Committee has favorably recommended the inclusion of the Folly Brook flood control project in Hartford, Conn., among those projects which are to be awarded funds for advance engineering and design in the bill now before us.

The amount earmarked for Folly Brook is a very modest \$25,000 out of a

total recommended by the committee for advance planning of more than \$2 million. The \$25,000 appropriation, however, will enable the Army engineers to begin drawing up the plans and specifications for the actual work, so that when construction funds are later made available for the necessary project, it can be offered for bid and the work initiated almost immediately.

This is a very sound approach.

The project itself will ultimately cost \$292,000, including the \$25,000 to be made available under this appropriation bill for advance planning. When we compare this necessary expenditure to the many millions of dollars spent by the Federal Government on individual flood-control projects throughout the country, it can readily be seen that this is comparatively quite a small project.

Nevertheless it is of the utmost urgency to Hartford and we are most anxious to get it under way. It will, when completed, protect hundreds of homes in metropolitan Hartford against flood damage resulting from the backing up of the Connecticut River into Folly Brook, a tributary.

In 1936, Hartford experienced a disastrous flood which caused losses in excess of \$20 million. Since then, the city itself has contributed more than \$5 million of its own funds in cooperative undertakings with the Army engineers to curb and eliminate this menace of floods.

We are, Mr. Chairman, extremely flood conscious in Hartford; we are furthermore at all times ready and willing to do our part in conjunction with the Federal Government in making Hartford flood-proof. We are well aware of the filth and disease germs and mud and misery which sweep over a community in the path of a raging flood and we want to make our community safe from these disasters.

As I said, Mr. Chairman, I am grateful that the appropriations committee has included advance planning funds for Folly Brook in this bill and I know the people of Hartford also appreciate that action. I am confident the House will uphold the committee's judgment in this respect.

Mr. CRETELLA. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. CRETELLA. Mr. Chairman, I want to congratulate the excellent presentation made by the chairman of the Subcommittee on Appropriations for Civil Functions, the gentleman from Wisconsin [Mr. DAVIS]. I also want to express to him and his committee, my own gratitude and that of the State of Connecticut for reporting out favorably an appropriation of \$500,000 for the improvement of the Housatonic River, which is the dividing line between my district, the Third Congressional District of Connecticut and that represented by my distinguished colleague, the Honorable ALBERT P. MORANO, representing the Fourth District.

The improvement of the channel in the Housatonic River was first authorized by the 70th Congress, but since that time, no appropriation was ever made to carry it through. The improvement in the channel will permit delivery of coal to the Devon powerplant in larger barges and it is estimated that by this process a saving in the delivered price of coal of 50 cents a ton will be achieved.

In 1952 there were almost 600,000 tons of coal consumed by the Connecticut Power & Light Co. alone, and it is estimated that within 10 years a total of 1 million tons of coal will be used at this plant alone, annually. The savings will therefore amount to approximately one-half million dollars per year. This savings not only accrues to the Connecticut Light & Power Co., the user of this huge quantity of coal, but it is passed on directly to the consumer throughout the State of Connecticut by means of a fuel-adjustment clause included in the rates of the company which supplies electric service to 108 out of 169 towns of the State, and thus directly to over 250,000 consumers throughout the State.

The citizens of Connecticut, I know, are very happy to be able to get a reduction in their electricity costs. Again, I want to express to the committee my own personal gratitude for having at this time taken favorable action on the request for the appropriation requested to complete this job.

It so also happens that tomorrow the port of New Haven will officially welcome the first oceangoing liner of the Isbrandtsen Line, which has been given authority by the Interstate Commerce Commission to make New Haven a port of call. The first ship arriving there tomorrow will be captained by the famous Capt. Kurt Carlsen of the famous *Flying Enterprise*. We, of Connecticut, rejoice in both maritime achievements.

Mr. DAVIS of Tennessee. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, on yesterday it was not possible for me to participate in the general debate on the civil functions appropriations bill. Today, however, in this limited time I should like to join with so many of my colleagues who spoke on yesterday in paying tribute to the members of this subcommittee on both sides of the aisle.

Without fear of any question, I can say with assurance and sincerity that we have no abler men in this House than Chairman GLENN DAVIS and his associates, our distinguished colleagues, CEDERBERG and HAND, and the former chairman of this committee, my longtime friend, LOUIS RABAUT, and his associate, JOHN RILEY.

Indeed this bill always presents difficulties, requires lengthy hearings, the appearance of many, many witnesses and the handling of complicated figures. Many times I have been amazed at the splendid memory they display from year to year on the progress of important projects throughout the land without the help of written statements or additional information from engineers or other witnesses.

For the purpose of the RECORD also I should like to assure them and all the

Members of this House that as a member of the Committee on Public Works I voted 3 years ago to report favorably the bill authorizing participation in the development of the St. Lawrence Seaway. Some of us have not shouted from the housetops our expression of interest in this very important project, but the RECORD speaks for itself and strong vigorous proponents of this development led by our distinguished chairman, the gentleman from Michigan, GEORGE DONDERO, have long been known in the committee.

Sometimes it is suggested that some of us representing southern districts do not have a sympathetic interest in projects so vital to other sections of the country. I have always felt that any sound development which affects any single area of these United States will definitely be reflected in the economy, the happiness, and prosperity of all the country.

Eleven years ago the chamber of commerce in my city passed a resolution opposing the St. Lawrence Seaway. I asked them to review that resolution only a few weeks ago. A meeting was called which was attended by outstanding, representative members who voted to change the position of opposition to positive approval. Just as quickly, the board of directors acted upon this recommendation and letters were written to 194 local chambers of commerce in the United States asking that the Memphis Chamber of Commerce be dissociated with the opposition and its name taken from the letterhead of its opponents representing cities from north to south and east to west. I say this only in the hopes that the action taken by my own district may be of some influence in widely differing sections of the country so that we shall be able to pass this legislation with ease when soon I hope it reaches the floor for debate and final action.

All of my colleagues from the Southern States on the Committee on Public Works have supported the seaway. Our former colleague, Larcade from Louisiana, was most active as was Jim Trimble, of Arkansas, Jones of Alabama, and Smith of Mississippi. We expect to go before the Rules Committee on Thursday. We believe that this project will benefit the Nation as a whole and every area in it will prosper.

So then as we approach the future we must not lose sight of adequate funds for the lower Mississippi River. Naturally, we were all disappointed that the committee saw fit to so drastically reduce funds for this continued flood work on this long river which provides drainage for all or part of 30 States and which represents 42 percent of the drainage of the United States.

The treatment of this river has always been a nonpartisan consideration. A Republican President, asked the Honorable Will Whittington, our distinguished former colleague and chairman of the old Flood Control Committee, and later the Committee on Public Works, to draft legislation to make possible the fullest Federal participation in the handling of this water flowing from the biggest part of the country to the Gulf. This followed a most disastrous flood of

1927 when so many lives were lost, so many millions of dollars suffered in damage and when so much productive land was taken out of use.

Those were hectic days in 1927. I remember them well. My own city of Memphis was called upon to take care of thousands of homeless people from neighboring States. That city situated on a high bluff and disturbed only by backwaters from the high Mississippi which flowed into Wolf River and the Nonconah Creek was able to battle its own troubles and turn a hand to the relief of those who appeared so pitifully weak with homes gone, livestock drowned and farm inundated.

In 1928, the sum of \$1,292,748,500 was authorized to make certain that a recurrence of this disaster would not again appear on the lower Mississippi and its tributaries. Through fiscal year 1954 the Congress has appropriated \$848,770,400 against this authorization, leaving a balance of a little more than \$443 million to complete the work started 26 years ago. The overall project is now but 65 percent complete.

When we are spending so many billions of dollars throughout the world to strengthen our allies and to make friends in questionable areas I have come to the very definite and considered opinion that we should save something to preserve our own resources if our country is to continue strong enough to maintain this good heart and spirit of material helpfulness in foreign lands. Somewhere in Holy Writ it is written, "When ye glean the corners of thy fields, thou shalt leave the corners to the poor and needy." With all deference and reverence I gather the lesson from this passage and believe that the committee should have left a little more in the corners for the lower Mississippi than \$45,200,000.

I say this because in 1951 the lower Mississippi and its tributaries was allowed only \$61,850,400 at a time when we were in active fighting in Korea. In 1952, that sum was reduced to \$61 million even. In 1952 it was reduced to \$60,270,000. Last year representatives from the Mississippi Valley came to Washington, appeared before the committee, and accepted President Eisenhower's budget of \$51,433,000. They did that in a spirit of genuine cooperation with the new administration. They knew that just 3 years ago more than \$10 million additional had been provided. In an endeavor to show the finest spirit of cooperation with the new administration in the reduction of the expenses of Government and looking forward to an early balance of the budget the Corps of Engineers, contractors, and interested citizens and taxpayers all put their shoulders to the wheel and went to work to get the best results from this limited amount of money.

To come back this year to see a further reduction to \$45,200,000 brings greater discouragement than many of you may realize.

Surely we must not gamble upon the hazards of nature and take chances on an all-out flood with all of its resultant damage in a program designed to prevent all of this started 26 years ago.

When you remove the \$15 million allowed for maintenance from this appropriation—and that maintenance charge is a bare minimum—you have but \$30 million left which simply is absolutely inadequate to good economy and progress on a project so essential to the welfare of the whole country.

I plead with you that a good business practice be followed and this appropriation increased only slightly, as we of necessity view money today, to the sum of \$56,885,000 for the fiscal year 1955.

Mr. BAILEY. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, on yesterday during general debate I raised a question in reference to projects under subsection 205 and asked the subcommittee for detailed information which it was unable to furnish at that time. At this time, I ask unanimous consent that we go back to this paragraph 2 on page 3, not for the purpose of offering any amendment but for the purpose of giving the chairman of the subcommittee an opportunity to place this information in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia [Mr. BAILEY]?

Mr. DAVIS of Wisconsin. Mr. Chairman, reserving the right to object, I have no objection whatsoever to referring to this portion of the bill for purpose of discussion, but I hope that will not be any indication that we are going back and opening it up for amendment at that point.

The CHAIRMAN. That is not the request of the gentleman from West Virginia. His request was specifically for the purpose of making inquiry. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. DAVIS of Wisconsin. I am happy to be able to furnish the gentleman from West Virginia more detailed information than I was able to furnish yesterday. At that time he asked us about the funds that were available for the so-called section 205 projects, the smaller projects where specific authorizations were not required in order to deal with them.

The allocation for the current fiscal year was \$700,000. The amount requested in the budget for 1955, the fiscal year covered by the bill now under consideration, was \$200,000 and the committee deleted that amount. We did that on this basis, that according to the information that we now have, the unobligated balance as of January 31, 1954, was \$1,276,354 and the unexpended balance was \$1,442,624.

The entire program is now being reviewed, and an accurate estimate of the unobligated and unexpended balances at the end of the current fiscal year cannot be made at this time, so I cannot give the specific dollar amount as of the end of the current fiscal year. However, you will note that something over \$350,000 was obligated through the 31st of January, and in the 1953 fiscal year the actual obligations amounted only to \$866,575. So, keeping those figures in mind, it appears that there will be ample funds during the 1955 fiscal year to continue that

type of work at a reasonable level and at about the level at which it has operated.

Mr. BAILEY. Might I ask the gentleman from Wisconsin a further question? Did a representative of the committee contact the Army engineers and ask if this fund would be sufficient?

Mr. DAVIS of Wisconsin. I am not sure whether that specific question was asked, but the clerk of our committee did contact them in order to get this more detailed information that I was not able to give the gentleman yesterday.

Mr. BAILEY. I thank the gentleman from Wisconsin.

(The Clerk concluded the reading of the bill.)

Mr. DAVIS of Wisconsin. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. McGRON, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the bill (H. R. 8367) making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1955, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

Mr. DAVIS of Wisconsin. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. RILEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. KRUEGER. Mr. Speaker, the full effect of the House action last year in limiting funds for land acquisition for the Garrison Dam is apparent in the committee report on H. R. 8367. The reduction of \$3.5 million from the budget estimates by the committee and the House denies the funds for the purchase of lands for the construction of dikes or protective works in the vicinity of Williston, N. Dak. This denial prevents the fulfillment of the planned operating level of the Garrison Reservoir at 1,850 feet.

The Garrison Dam project is well on the way to completion. The initial power will be delivered in 1955. The dam, itself, will be done in 1957.

The people of Williston have made a fine presentation of their case. There is still much question as to the possible damage at the 1,850-foot operating level, but there is no question as to the loss of power and storage capacity if the Garrison Dam is to be operated at the lower level of 1,840 feet.

These figures have been determined by the Corps of Engineers.

The annual power loss would be almost \$1 million at Garrison; the losses of power downstream, for diversion and irrigation purposes, would be over \$1.5 million.

The reduction in the operating level gives away the cheapest storage available. The cost of storage in this reservoir up to the 1,840-foot level is \$14.60 per acre-foot. The cost of storage from the 1,840-foot level is only \$2.09 per acre-foot.

The loss in storage capacity or 3.6 million acre-feet means that enough water will go down the spillway to irrigate a million acres of land for 2 years. In times of drought, this reserve would be invaluable.

Sentiment over the greater part of North Dakota is for the high level for Garrison Dam. The REA is interested in the power and wants all that will be available. A million acres in the State have been found suitable for irrigation and farmers are looking forward to the establishment of a stable agriculture with water available from this dam. There is a feeling that the merits of the high level so far outweigh the possible damage to a small area that there should be no question as to the final decision.

Gov. Norman Brundsdale, chairman of the State water-conservation commission, had the following inserted in the hearings before the Civil Functions Committee in connection with H. R. 8367:

On June 23, 1953, the North Dakota Water Conservation Commission passed a resolution affirming its position on the maximum pool level of 1,850 feet for the Garrison Reservoir, provided adequate facilities protecting the irrigation projects and the city of Williston are constructed.

The time is fast approaching when a definite decision must be reached on the operating level of the dam. Either we let \$2½ million run down the spillway each year, or we plan to use it.

I would repeat here the words of Congressman CEDERBERG, of Michigan, spoken at the committee hearing:

Then the people of Williston ought to be aware of the fact that they are a part of this great country and cannot be isolated unto themselves. If there is going to be some benefit to the entire basin, there are going to be some dislocations, and some effects that in a small way might be detrimental to these people. It is just a question of whether they are big enough to realize that.

Mr. MOSS. Mr. Speaker, unlike my friends, the distinguished gentlemen from California, Mr. GUBSER and Mr. JACKSON, who are protesting a committee finding that there is no local support for their port project, I am most happy to state that there is unanimous agreement by the people in my district on the urgent need for the Sacramento-Yolo Port project. There is, in fact, a

unanimous demand that the Federal Government recognize its moral obligation and resume construction of the project as soon as possible.

The people in the tributary area of the Sacramento-Yolo Port have done much more than give vocal support to the project. There has been more than \$3 million put up to fulfill our side of the bargain. The Port District formed to operate the project has sold more than \$1,700,000 worth of bonds; collected more than \$800,000 in taxes; built a grain elevator, a belt railroad, a highway extension, and various other facilities for the port project. A farmers' cooperative has built a \$1 million rice drier and elevator as part of the port facilities. The State of California has put up \$750,000 for rights-of-way to complete the deep-water channel, and the people of the area have purchased with their tax dollars more than their share of land to complete the project.

I recognize, from the remarks made on the floor by members of the committee handling the bill, that policies which are being followed by the committee would not permit favorable consideration of my request for an immediate appropriation to resume construction of the Sacramento-Yolo Port project. Nevertheless, I am deeply disturbed over the committee's failure to establish a firm policy on future appropriations for projects such as the one I am discussing.

It is unfair to subject local taxpayers to a continued heavy financial burden because of past acts of Congress. A clear policy should be established no later than the next session of Congress to deal, not only with the Sacramento-Yolo Port project, but also with all projects of a similar nature. I intend also to request information from the Bureau of the Budget and other administration agencies on the policy they intend to adopt in deciding which projects will be recommended to Congress for appropriations. It is an interesting fact that one California port project was included in the budget for a \$1 million appropriation even though it has been contended local interests do not support that project strongly enough to vote bonds for it; at the same time, the Sacramento-Yolo Port project was not included in the budget even though everyone in the area concerned has given the strongest possible backing to the project. This certainly justifies an attempt to get the Budget Bureau and the administration on record as to future policy.

I intend to urge the other body, as strongly as possible, to depart from the policy adopted by the House Appropriations Committee and recognize the equity in the Sacramento-Yolo Port project's request for funds to permit immediate resumption of construction. Any further delay imposes a heavy tax burden on the people in the area to be served by the Sacramento-Yolo Port. I am certain no Member of Congress consciously wants such an intolerable situation continued.

Another field where further delays are costly is in the refusal to expedite appropriations for the Sacramento River flood-control project. This decision is

an apparent reversal of the policy adopted a year ago to speed appropriations and complete the project in about 5 years. Then, and only then, will real savings from this project accrue to the Federal Treasury. Until completion, the Federal Government must continue to pay maintenance costs of some \$500,000 a year. It seems to me prudent management to expedite completion of this project and realize a most important saving. It is well to remember that the expenditure of a lesser sum is not always the soundest public policy nor the one which produces the greatest net saving.

I also wish to express my regret that the committee refused to consider the need for adequate planning funds. A prime example is the Black Butte project in California where the expenditure of \$100,000 would have completed plans for this worthwhile project. I hope the committee will, in the future, give consideration to the need for an adequate budget of planning funds.

DOUBLE TAXATION ON DIVIDENDS

The SPEAKER. Under previous order of the House, the gentleman from Washington [Mr. PELL] is recognized for 10 minutes.

Mr. PELL. Mr. Speaker, yesterday in the Committee of the Whole House on the State of the Union, the distinguished and delightfully plausible gentleman from Texas [Mr. PATMAN] compared the inequity of double taxation on dividends with a bald-headed man getting a haircut at the same price as one with a full head of hair. That interested me—as also did his comparison of buying different sized shoes for the same price, because I wear size 12 shoes. So I benefit in the latter example and lose by the former and should not complain.

Now the distinguished gentleman went on to say that a corporation could retain earnings which constituted interest-free capital—which, of course, is true—but then I thought he reached a fallacious conclusion when he said that this was inequitable competition with the merchant in the small town who had to borrow money and pay interest on funds with which to operate his business. I have a minimum of admiration for the logic of this latter statement because any little business can and often does incorporate, and even if the little business is not incorporated and 52 percent of its profits not paid in Federal taxes, the little business as a partnership or sole proprietorship can retain any profits after the 20-percent individual-income tax is paid.

This and other learned discourses of the gentleman from Texas, as well as some of his colleagues on that side of the aisle, force me to the conclusion that his and their idea of a corporation is a big bank account owned by rich Wall Street brokers.

Down in Texas I know there are some pretty big corporations—particularly oil companies. Last year the Interstate and Foreign Commerce Committee looked into big oil companies. It will interest some Members of this body to hear that these big fellows over a period of

years have retained a lot of their profits, because they badly needed money to expand to take care of national defense and the Nation's needs for the future in the way of petroleum. It will disappoint some critics of big business to know that on the entire net worth of these big oil concerns, on their capital plus their retained profits, the earnings averaged less than 10 percent a year.

Now I worked in the trust department of a bank once and my job was to transfer various corporation stocks for which the bank was transfer agent. I found some curious facts about who owns corporation stock and who are the people suffering from double taxation. Since then I have read about big corporations, like the Pacific Telephone & Telegraph Co., which operates in my district, who enable and encourage employees to buy the company's stock. Employees represent the largest group of owners of many corporations.

Having been in a small locally owned business where employees were given an opportunity to buy stock, I had the impression that double taxation hit the little fellow as well as the big.

I remember in 1936 when the Democratic administration established this double taxation, there was an emergency. We have been enjoying emergencies now for 20 long years since 1932.

The point was and is, who is being penalized? If it is a J. P. Morgan that is one thing; but if it is the average-income, hard-working, thrifty, long-suffering American working men and women, let us think twice before we call this proposal to partially eliminate double taxation of dividends a rich man's tax benefit.

The Brookings Institute in 1952 made an analysis of stock ownership of publicly owned shareholders. By occupation groups this institute found out what I had observed when I worked in a bank.

There are estimated to be 6,490,000 individual share owners of publicly owned stock.

Now if offhand you are against tax relief for these shareholders bear in mind that 2,130,000 or about one-third of the total of approximately 6.5 million share owners are nonworking housewives and about half of all shareholders are women. These women have a sense of fairness. They do not like discriminatory double taxation—and they all vote.

The average value of the stockholdings of these women was only \$3,558—about the same investment as a high-priced automobile.

Over a million families with incomes of less than \$4,000 per year own shares in publicly owned corporations. Of these more than 200,000 families have gross incomes of less than \$2,000. In the range of \$4,000 to \$5,000 per year income families there are approximately 600,000 families in which shares are owned. In nearly 1 out of every 5 families with incomes in the range of \$5,000 to \$10,000 corporation shares are owned. Of the families who own stocks about one-fifth are in the bracket of \$10,000 per year and over income, while four-fifths are in families with incomes under \$10,000 a year.

Family units holding publicly owned stocks by geographic location are as follows: Eastern States, 27.2 percent; North Central States, 30.9 percent; Southern States, 24.2 percent; Far Western States, 17.7 percent. Where is Wall Street? Near Main Street, I guess.

A breakdown of individual share owners by occupation dispels the delusion of ownership confined to a small exclusive group of tycoons. For example, a partial tabulation of the estimated number of individual share owners by occupation follows:

	Share owners
Administration executives	300,000
Operating supervisory	620,000
Professional persons	670,000
Sales personnel	200,000
Merchants	250,000
Clerical workers	590,000
Farmers	320,000
Skilled workers	410,000
Semiskilled workers	210,000
Retired-Dependent persons	560,000

These are some of the people who have invested their savings and made the industrial production possible that gave America the highest living standard in the world. Anything this Congress can do to stimulate more shareholders in American business enterprises will create more jobs and payrolls.

For many years it has been deemed politically expedient by some to classify shares in American enterprise as aligned with Wall Street profiteering.

But today let us forget demagoguery and think of the widows, housewives, and workers, and the millions who have been discriminated against through double taxation of dividends. The American people certainly recognize the unfairness of taxing corporation profits twice.

DO NOT UNDERESTIMATE THE DOUBLE-RATE BONANZA

The SPEAKER. Under previous order of the House, the gentleman from Pennsylvania [Mr. EBERHARTER] is recognized for 20 minutes.

Mr. EBERHARTER. Mr. Speaker, despite the President's well stage-managed and earnest performance last night in support of the Reed tax bill which is coming before us tomorrow, I believe it is now amply clear to every tax-conscious American that it is a big business, rich man's tax bill with a sugar coating of some crumbs for widows and invalids and a kick-in-the-teeth for the average taxpayer and consumer.

The President tried hard to sell the bill as a keystone of his dynamic, progressive legislative program—a program at present so dynamic that it is generally slumbering very peacefully in a host of congressional committees. But in borrowing the sales techniques of the advertising agencies now so widely represented among his strategists and advisers, he fell victim to their proclivity for oversimplifying complex issues.

He said the tax bill will encourage business to expand at a much greater rate than it is now expanding and thus create more jobs. But will it? We do not know. No one knows. It will be some time before we find out. With sales declining, jobs disappearing, production dropping, customers keeping

what money they have in their pockets, and business failures mounting week by week, it is a question whether many businesses are going to leap frantically into a program of expanding facilities to make more of products they can now turn out at a rate greater than they can sell them.

REPLACEMENT NOW GOING ON AT A HIGH RATE

Nevertheless, replacement of equipment and plant goes on all the time. Modernization is necessary to many businesses to even stay in business. Plants, tools, machines wear out or become obsolescent and must be replaced. This has been going on at a rate of more than thirty-one billions worth a year. And we want that to continue.

But we do not want to step in and hand to the corporations in the process of carrying out this normal expansion and replacement a vast tax bonanza for doing what they would do under any circumstances. If we do that, we are merely shrinking Federal revenues at a time when—as the President himself said—we need huge sums to maintain our defenses and narrow the gap in deficit spending.

NO MATTER WHAT YOU CALL IT, IT'S STILL A BONANZA

The name applied by the tax experts to the provision in the bill dealing with this subject is something of a jaw-breaker: double-rate, declining-balance depreciation. The Treasury and the Republican majority on the Ways and Means Committee have sought to minimize the effect of this provision, claiming it really would not cost the Government any money to speak of because probably—or perhaps—or maybe—it will so encourage business to so expand at such an accelerated pace that the added business activity so generated will bring in more, rather than less, tax revenue.

But, Mr. Speaker, let me warn: Do not underestimate the double-rate bonanza. It can well mean double-rate profits for some industries, and declining balances for the Federal Treasury.

The Republican majority on the committee concedes there will be a substantial loss in revenues at first, but apparently not enough to get it excited. It cannot be excited, you see, over a writeoff of revenues of \$1,050,000,000 in fiscal 1956 and of \$1,550,000,000 in fiscal 1957. But, Mr. Speaker, that is \$2.6 billion or more right there—more than it would cost a year to increase exemptions by \$100 per person—and it is only the beginning of what this double-rate, declining-balance bonanza will mean in tax benefits to corporations and in costs to the Treasury.

NO WONDER THE SECRETARY REFUSED THE FIGURES

I asked the Secretary of the Treasury to carry these computations out for me for additional years. He refused. He said it would not be useful information. I can understand his refusal, for according to figures prepared by the Joint Committee on Internal Revenue Taxation, this bonanza could mean the irretrievable loss of as much as \$13 billion in revenues over the next 7 years, assuming capital replacements and additions and tax rates continue at present rates.

So let us now underestimate the double-rate bonanza.

THE OTHER SIDE OF THE COIN

Suppose, Mr. Speaker, that capital expansion does not continue at present rates—and that tax rates on corporations come down in a few years. The Government, under those circumstances, would lose heavily, for any expansion in facilities which did take place in the meantime would enjoy high depreciation allowances when taxes were high and would then go to the lower depreciation allowances proposed under this bill when tax rates also were lower. Under the present system, the so-called straight-line system of depreciation, the depreciation allowance is constant; therefore when corporation tax rates are high, taxes on profits are high and revenues so badly needed come into the Treasury.

Corporations are not able, then, to evade rightful taxes by jiggling or juggling their depreciation figures. If the intent of this bill is to ease corporate tax obligations—and obviously that seems to be the intent—then the honest way to do it is to reduce corporate rates, rather than open loopholes and side-alley approaches to this objective.

REVENUE LOSSES FOR BUSINESS WOULD PRECLUDE INDIVIDUAL TAX RELIEF

Mr. Speaker, these huge losses in revenues over the next 9 years or so would effectively preclude any relief for the average wage earner, or professional man, or small-business man.

There is no doubt that the Treasury needs money to pay the bills of a worldwide defense against communism. The budget is not balanced, and no one in authority can guess for us when it can be balanced. All things being equal, tax relief should have to wait for more auspicious fiscal weather.

But all things are not equal. Unemployment, lowered business activity, recession—these are cold, hard economic realities today. The reasoning behind Democratic efforts to raise exemptions is to provide more spending money in the hands of the average consumers, and thus stimulate faltering business activity. If prosperity is restored, business will enjoy very satisfactory profits without these special tax handouts.

But if we give these handouts to business now, and prosperity remains elusive under the Republican administration, we will then inevitably have to go much, much deeper in the red to give any tax relief to individuals—so much deeper, in fact, that it might be impractical. So what we are doing in this bill, I am afraid, is to preclude tax relief for individuals by the enormity of the handouts to businesses which do not need them.

We should consider well what we do here, Mr. Speaker, for it can have frightening consequences in the future.

SOME ROUND FIGURES TO SHOW THIS IS NOT A SQUARE DEAL

Let us take, as a simple illustration, the case of a \$10 million plant earning, say, 10 percent a year on investment before taxes and before depreciation. That is very conservative.

Under the present system of depreciation, assuming the plant had a 20-year useful life span—and again I am using round figures—it could put aside \$500,000 of its \$1 million profits each year, tax free, and pay corporate taxes on the other \$500,000. At the present rate of 52 percent, that would mean taxes of \$260,000 a year on its \$1 million profit. And each year it would be the same.

But look what happens under this double-rate, declining-balance proposal. By depreciating one-tenth of the plant the first year, the corporation could get off without paying a cent of taxes on its \$1 million. The second year it would write off \$900,000 in depreciation and pay taxes only on \$100,000, or \$52,000. The third year it could depreciate another \$810,000, and pay taxes only on \$190,000, or \$98,000 in taxes. It would take 9 years before the annual depreciation allowance under the double-rate, declining-balance system equaled that under the straight-line system, and if corporate-tax rates went down during the interval, it would take even longer than that before the Government was collecting \$260,000 a year in taxes from this plant's \$1 million in profits.

MOST CORPORATIONS PAYING DIVIDENDS OF 6 PERCENT OR BETTER

The illustration I use is ultraconservative, for it would mean a return after amortization of only about 2.4 percent, yet we all know that most listed common stocks are paying 6 percent or better and the corporations are earning perhaps twice that percentage on investment each year.

Yet, even using this ultraconservative example, we see the Government losing \$260,000 in taxes the first year, \$208,000 the second, and \$161,200 the third year.

As the billions in lost revenues add up over these coming years as a result of this double-rate, declining balance bonanza, when—if ever—is the Treasury going to be in a position whereby tax relief can come to the rest of the people? If the fiscal situation now is such that we cannot afford an extra \$100 personal exemption, how can we afford it in the next 9 years as business gets this huge handout of tax rebates, for that is what they are?

REVENUE LOSSES TO BUSINESS WOULD PRECLUDE INDIVIDUAL TAX RELIEF

When—if ever—could the Eisenhower administration cut taxes for the average wage earner, the professional man, the small-business man?

I do not know; we do not know. And the President does not seem to know, either. I think the answer is that that sort of thing is just not on the White House agenda these days.

Not all Americans are investors, but we are all consumers. It would restore some confidence in the administration if it thought of the people once in a while as consumers.

CURRENT CONTROVERSY

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Speaker, the raging controversy between a member of the other body and the Department of the Army, which started with Army officers as witnesses, got into questions of special treatment for a draftee formerly a committee consultant, has become the concern not only of the other body, but of the whole Congress and, therefore, of this House. This controversy now appears to affect discipline in the Army and civilian control of the Army.

The purpose of all of us in this House who have advocated reforms in Congressional investigating committees, which we said were vitally needed, or who have urged that there be a joint committee on internal security to replace the existing committees investigating communism and subversion has been to deal with excess and improper jeopardy to individuals in such investigations. But this situation has become a critical national issue overshadowing even the reform of the Congressional investigating committee arrangements, and I respectfully urge the Committee on Armed Services of the House to take cognizance of that fact.

I urge that the Committee on Armed Services of the House inquire into the situation to be sure that, as between it and the Committee on Armed Services of the other body, the public may be informed as to the proper operation of the Army, which is far more important even than who told who what in this whole sorry business.

LIMITING THE OPERATION OF SECTIONS 281 AND 283 OF TITLE 18, UNITED STATES CODE, AND SECTION 190 OF THE REVISED STATUTES OF THE UNITED STATES

Mr. REED of Illinois. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 8315) to limit the operation of sections 281 and 283 of title 18, United States Code, and section 190 of the Revised Statutes of the United States (5 U. S. C. 99) with respect to counsel in a certain case.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. PRIEST. Mr. Speaker, reserving the right to object, as I understand it, this was a unanimous report from the Committee on the Judiciary. It is a procedure which has been followed a number of times in the past; is that correct?

Mr. REED of Illinois. The gentleman is correct.

Mr. PRIEST. Further reserving the right to object, I wonder if the distinguished chairman of the Committee on the Judiciary would make a brief explanation of the results accomplished.

Mr. REED of Illinois. Mr. Speaker, some time ago there was a case of United States against Konovsky, which was a case of rioting which took place in the town of Cicero. There was a conviction there and the case went to the court of

appeals, where it was reversed. The lawyer who represented the Attorney General in that original case will not represent him now, and the Attorney General has been compelled to secure the services of another lawyer. The case is on remand and will be called for trial this month. Otherwise we would have this on the Consent Calendar.

Mr. PRIEST. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc., That sections 281 and 283 of title 18, United States Code, and section 190 of the Revised Statutes of the United States (5 U. S. C. 99) shall not apply to the employment of Harold A. Smith as an attorney or counselor specially employed, retained, or appointed by the Attorney General or under authority of the Department of Justice, to conduct in the northern district of Illinois and in any other judicial district or districts, any kind of legal proceeding, civil or criminal, including grand jury proceedings and proceedings before committing magistrates, which United States attorneys are authorized by law to conduct, in connection with the case of *United States v. Konovsky, et al.*, now pending in the northern district of Illinois: *Provided, That he shall not represent any person in connection with any matter involving the subject matter of his employment by the Attorney General or Department of Justice.**

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILL PROPOSED ELIMINATION OF DOUBLE TAXATION OF DIVIDENDS ENCOURAGE THE LITTLE MAN TO SPECULATE?

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, it is proposed that persons receiving dividends from corporations have an exemption on their Federal income taxes on the first \$50 or \$100 paid during the taxable year, and a 10-percent tax credit on all other dividends received. This is being sponsored by those who believe that double taxation should be prevented. It is pointed out that the corporation pays taxes on its net profits and when the corporation disburses dividends the person receiving the dividends must also pay taxes. This is very true, but it should not be overlooked that double taxation goes all through our Government in a capitalistic system.

At this time there is a militant campaign being carried on by stockbrokers to sell stocks to the little man. The New York Stock Exchange is carrying expensive and clever advertising in newspapers and magazines that cover the entire Nation. If the proposed exemption from taxes of the first \$50 or \$100 in dividends and the attractive tax advantage on the other dividends received

is enacted into law, this will give the stockbrokers a wonderful talking point. I doubt that many Members of Congress, upon reflection and consideration, would want to be a party to a campaign to entice little people into the stock market. Possibilities of loss are too great. Stockbrokers at this very time are initiating and vigorously pushing a plan to entice little people into the stock market by permitting them to buy on small monthly payments, which is referred to as the installment plan. So, with the attractive tax advantage and the installment plan, the stockbrokers will have wonderful talking points to entice the little fellows into the market. If it is done, let us hope that the little people of our country will not lose their savings, as many of them did in the stock market collapse of 1929 and at other times we are familiar with.

INCREASE OF EXEMPTION FROM \$600 TO \$700 IN TAX BILL JUSTIFIED TO PREVENT DOUBLE TAXATION

Last year, 1953, about \$11 billion was paid in Federal excise taxes in one form or another. These taxes particularly hit the small man and the average citizen, since they included 10 percent on automobiles; 8 percent on trucks; sizable amounts on cigarettes and different types of tobacco; parts and accessories, 10 percent; gasoline, 2 cents a gallon; lubricating oil, 6 cents per gallon; musical instruments, 10 percent; photographic apparatus and equipment, 20 percent; radio sets, 10 percent; sporting goods, 15 percent; television sets, 10 percent; furs, jewelry, luggage, and toilet preparations, 20 percent; admissions, up to 50 percent; telephone, telegraph, and radio facilities, 15 percent; transportation of persons, 15 percent; and hundreds of other articles and commodities used every day, including electric bulbs, 20 percent.

It should be remembered that a person paying any of these taxes does not get an exemption. If he buys a railroad ticket that costs \$100, he pays \$15 tax. It is added in on everything else in a similar way. In the course of a year the average family will pay from \$300 to \$400 in excise taxes, which is double taxation. The total amount of excise taxes paid last year amounted to \$10,837,400,927, or an average of \$68 for every one of our 160 million people. That means a family of five paid on an average of \$340 per family in double taxation. It is double taxation because the person who spends the money for these purchases must pay income taxes on it, and then, in addition, he pays the Federal excise taxes, which, I repeat, is double taxation.

In view of these unmistakable cases of double taxation, it is reasonable to presume that if the exemption is raised, from \$600 to \$700, the amount will not take care of the double taxes paid by the persons receiving this increased exemption. It is not likely to take care of even 25 percent of it. If it is right to be so solicitous of the welfare of the persons receiving dividends from corporations—that they should be picked out and selected for special favoritism in the collection of taxes—why would it not also be right and reasonable for the exemptions to be raised in order to take

care of the great mass of the people who are not recipients of corporate dividends? In other words, why should we say a corporate dividend is so sacred and entitled to such important recognition, and not at the same time provide that other forms of double taxation, that are well known and recognized, should not also be provided for?

If John Doe and wife collect dividends from corporate stock ownership they get credit on their Federal income taxes because of double taxation, under the new tax bill.

If Richard Roe and wife, after paying Federal income taxes on their earnings that they worked hard to get, pay several hundred dollars in Federal excise taxes on purchases they have made with their take-home money, they receive no credit because they have been doubly taxed.

This proposal does not ring true to me.

A CORPORATION IS A PERSON

Under the United States Constitution, a corporation was not considered a person until the adoption of the 14th amendment in the 1860's. Under the 14th amendment, a corporation is a person, including a railroad, manufacturing, industrial, or any other kind of corporation.

A few stockholders exert, as a member of a board of directors, a direct influence on the management of the corporation. Stockholding, for most individuals, is just another form of investment.

About two-thirds of the corporate funds of the average corporation are derived from internal sources, retained profits, depreciation, and depletion.

Not all stock is owned by individuals. Corporations own stocks of other corporations—investment trusts, insurance companies, and so forth—and could be autonomous corporations. That is, corporations owning each other. Ownership of the modern corporation in its structure and life is separated from management. The corporate tax is a tax on corporate enterprise and is not a supplemental individual income tax in disguise. A corporation tax hits individuals just like a tax on tobacco is a tax on consumption and affects individuals who smoke.

The only way to eliminate double or multiple taxation is to adopt a single-tax system.

The consumer who buys the goods pays the corporate tax. If the stockholder is exempt, there will be no tax paid by the corporation or the stockholder. The consumers not only pay a price sufficient to pay the corporate tax, but also a price that is sufficient to include a sufficient profit for the corporation to set aside adequate undistributed profits—retained earnings—and pay reasonable dividends to stockholders.

It is remembered that in 1953, in spite of the very high tax rates, profits after taxes were three times as high as they were in 1939. This is evidence that corporate taxes were borne fully by corporate profits made possible by the price structure. Corporate taxes are treated as a cost by corporate management. As taxes have been decreased prices have remained high. Corporations that are

getting a tax reduction in 1954 will not likely reduce their prices if they follow their policies of the past.

When tax rates and controls were relaxed after World War II, profits of corporations quickly rose. They not only received a big windfall but they did not reduce their prices.

If it is desired to strengthen mass purchasing power, a reduction in individual income or excise taxes would be more effective than a reduction in corporate taxes, or a reduction in taxes on dividends received by stockholders. In 1953 the corporate tax provided 31 percent of the revenue of the Government, at a cost of 10 percent of the man-hours of the collectors.

Our tax system has not been unfavorable to corporate development. A large part of the money used by corporations for expansion is furnished by the consumers who paid a higher price in order to provide it. To the corporation this was costless capital. Such costless capital makes it difficult for any independently owned or individually owned business to compete with it. A large part of the earnings or profits of a corporation become undistributed profits or retained earnings and never become individual income and are not subject to individual income taxes.

ARE PRODUCTION EGGS NEEDED NOW?

I believe the experts who are advising the administration are making a mistake in presuming that Secretary of the Treasury Humphrey is 100-percent correct when he insists that "Production is the goose that lays the golden eggs." This would be true if we did not have more production now than we are using and if we did not have, in most instances, more production potential than is needed. We need, at this time, spending power. The eggs laid by the production goose are no good unless we have an adequate number of spending power eggs laid by the purchasing power goose. To my mind, a successful national economy depends on production, that is true. At the same time, production is no good unless it is consumed. In order for the production to be consumed there must be purchasing power. However, purchasing power will not get the job done unless it is used and becomes spending power used to buy goods and services. At this time there is sufficient capacity in the automobile industry to produce 8 million cars this year—but no one expects over 5 million cars to be produced. The question is, Why should we enact our tax laws to encourage more production in the automobile business when we do not need any production capacity at this time? It is purchasing power, that is used as spending power, that is needed in the automobile business. Why should we pass our tax laws to encourage more production in the steel business when production is at the rate of less than 75 percent? The same is true in other industries.

ANNOUNCEMENT

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, I take this time for the purpose of advising the membership on this side of the aisle that the Republican conference will be at 2 o'clock this afternoon following the adjournment.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the RECORD, or to revise and extend remarks, was granted to:

Mr. GRAHAM and to include an explanation of the bill H. R. 8193.

Mr. REAMS.

Mr. HELLER (at the request of Mr. RABAUT).

Mr. HARRISON of Wyoming.

Mr. ZABLOCKI and include extraneous matter.

Mr. DAVIS of Wisconsin and include extraneous matter pertaining to the jurisdiction of his subcommittee.

Mr. YOUNGER to include telegrams and a statement in remarks made in the Committee of the Whole.

Mr. KEATING in connection with his remarks during the debate on Treasury and Justice appropriations, and to include an editorial comment from the Christian Science Monitor.

Mr. O'KONSKI in three instances.

ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 752. An act for the relief of Francoise Bresnahan;

H. R. 2214. An act for the relief of Jaroslav, Bozena, Yvonka, and Jarka Ondricek; and

H. R. 5976. An act to amend section 1 of the Natural Gas Act.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 79. An act to authorize the Secretary of the Interior to cooperate with the State of Kentucky to acquire non-Federal cave properties within the authorized boundaries of Mammoth Cave National Park in the State of Kentucky, and for other purposes;

S. 489. An act to direct the Secretary of the Army to convey certain land located in Windsor Locks, Conn., to the State of Connecticut;

S. 1827. An act to authorize the Secretary of the Army to disclaim any interest of the United States in and to certain property located in the State of Washington;

S. 2111. An act to permit the flying of the flag of the United States for 24 hours of each day in Flag House Square, Baltimore, Md.; and

S. 2348. An act to repeal the act entitled "An act to authorize the Director of the Census to collect and publish statistics of red-cedar shingles."

BILLS PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that

that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 4557. An act to amend section 319 of the Communications Act of 1934 with respect to permits for construction of radio stations;

H. R. 4558. An act to amend section 309 (c) of the Communications Act of 1934, with respect to the time within which the Federal Communications Commission must act on protests filed thereunder; and

H. R. 4559. An act to amend section 501 of the Communications Act of 1934, so that any offense punishable thereunder, except a second or subsequent offense, shall constitute a misdemeanor rather than a felony.

ADJOURNMENT

Mr. ARENDS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 27 minutes p. m.) the House adjourned until tomorrow, Wednesday March 17, 1954, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1361. A letter from the Under Secretary of Agriculture, transmitting a report of obligations incurred in excess of limitations established pursuant to the administrative regulations promulgated by the Department of Agriculture and procedures of the former Production and Marketing Administration, pursuant to section 3679, Revised Statutes, as amended by section 1211 of the General Appropriation Act of 1951; to the Committee on Appropriations.

1362. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the act approved July 1, 1948, Public Law 863, amending subsection (c) of section 19 of the Immigration Act of February 5, 1917, as amended (8 U. S. C. 155 (c)); to the Committee on the Judiciary.

1363. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to section 244 (a) of the Immigration and Nationality Act of 1952 (8 U. S. C. 1254 (a)); to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GRAHAM: Committee on the Judiciary. H. R. 8315. A bill to limit the operation of sections 281 and 283 of title 18, United States Code, and section 190 of the Revised Statutes of the United States (5 U. S. C. 99), with respect to counsel in a certain case; without amendment (Rept. No. 1355). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk

for printing and reference to the proper calendar, as follows:

Mr. JONAS of Illinois: Committee on the Judiciary. S. 1208. An act for the relief of Andrew D. Sumner; without amendment (Rept. No. 1349). Referred to the Committee of the Whole House.

Mr. JONAS of Illinois: Committee on the Judiciary. S. 1231. An act for the relief of Franz Gerich and Willy Gerich, his minor son; without amendment (Rept. No. 1350). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 1107. A bill for the relief of the J. A. Vance Co.; with amendment (Rept. No. 1351). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 2874. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Mary K. Reynolds, as successor in interest to the Colonial Realty Co.; without amendment (Rept. No. 1352). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 6086. A bill for the relief of the estate of Preston Leon Stubblefield; without amendment (Rept. No. 1353). Referred to the Committee of the Whole House.

Mr. JONAS of Illinois: Committee on the Judiciary. H. R. 7413. A bill for the relief of Harold J. Davis; with amendment (Rept. No. 1354). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT of Michigan:

H. R. 8415. A bill to amend the Social Security Act to provide that, for the purposes of the agreement entered into with the State of Michigan pursuant to section 218 of such act, circuit court stenographers shall be deemed to be employees of the counties which pay their salaries; to the Committee on Ways and Means.

By Mr. CAMPBELL:

H. R. 8416. A bill to provide additional safeguards to assure the safety of persons carried for hire on motorboats not more than 65 feet in length; to the Committee on Merchant Marine and Fisheries.

By Mr. MARSHALL:

H. R. 8417. A bill to make the retirement benefits of the Army and Air Force Vitalization and Retirement Equalization Act of 1948 available to certain persons who rendered active Federal service during the Korean conflict; to the Committee on Armed Services.

By Mr. O'HARA of Minnesota:

H. R. 8418. A bill to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to prohibit the use in food of new chemical additives which have not been adequately tested to establish their safety; to the Committee on Interstate and Foreign Commerce.

By Mr. PHILBIN:

H. R. 8419. A bill to make retrocession to the Commonwealth of Massachusetts of jurisdiction over certain land in the vicinity of Fort Devens, Mass.; to the Committee on Public Works.

By Mr. VAN ZANDT:

H. R. 8420. A bill to amend the Social Security Act to eliminate the retroactive limitation upon the period with respect to which certain widows and children of veterans may receive benefits thereunder; to the Committee on Ways and Means.

H. R. 8421. A bill to provide that the determination of a parent's dependency under the Career Compensation Act of 1949 shall be made solely on the basis of conditions existing at the time the affidavit of dependency is submitted; to the Committee on Armed Services.

By Mr. WARBURTON:

H. R. 8422. A bill to amend the act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related independent agencies for the fiscal year ending June 30, 1954, and for other purposes; to the Committee on Appropriations.

H. J. Res. 470. Joint resolution proposing an amendment to the Constitution of the United States relative to disapproval of items in general appropriation bills; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARRETT:

H. R. 8423. A bill for the relief of Mrs. Hildegard Martin; to the Committee on the Judiciary.

By Mr. BUSBEY:

H. R. 8424. A bill for the relief of Mrs. Else Johnson; to the Committee on the Judiciary.

By Mr. CELLER:

H. R. 8425. A bill for the relief of the Yahya Aryeh family; Malekjian, Moussa, Nouriel, Gabriel, Emanuel, Parvin, Ouriel, Ouziel, Eliahou, and Samuel Aryeh; to the Committee on the Judiciary.

By Mr. MADDEN:

H. R. 8426. A bill for the relief of Jorgen Jorgenson; to the Committee on the Judiciary.

By Mr. PHILLIPS:

H. R. 8427. A bill for the relief of Mateo Mendoza-Huerta, his wife Francisca Ramirez De Mendoza, and son Juan Mendoza-Ramirez; to the Committee on the Judiciary.

By Mr. POWELL:

H. R. 8428. A bill for the relief of Natan Zepelovitch; to the Committee on the Judiciary.

By Mr. SCRIVNER:

H. R. 8429. A bill for the relief of Anne Cheng; to the Committee on the Judiciary.

By Mr. BURDICK:

H. Res. 475. Resolution providing for sending to the United States Court of Claims the bill (H. R. 8404) for the relief of B Amusement Co. (Robert H., J. C., Kenneth, and Mrs. J. R. Bowers) and others; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

561. By Mr. BUSH: Petition of the executive committee, Williamsport, Pa., Branch, Second Division, National Postal Transport Association, urging the passage of H. R. 2344 in lieu of pay reclassification plan proposed by Postmaster General; to the Committee on Post Office and Civil Service.

562. By the SPEAKER: Petition of A. F. Levy, Washington, D. C., transmitting a petition to abate violence by amending the House rules; to the Committee on Rules.

EXTENSIONS OF REMARKS

Item Veto

EXTENSION OF REMARKS OF

HON. KENNETH B. KEATING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1954

Mr. KEATING. Mr. Speaker, the time has again rolled around for my annual speech in support of the proposal to give to the President the power to veto individual items in appropriation bills. Mr. Richard L. Strout, distinguished correspondent for the Christian Science Monitor, has referred to this issue in a recent article entitled "Item Veto: A Needed Tool." Under leave granted in the House, I append his article at the end of my remarks. His habit,

apparently like mine, is to attack this subject with the first crocus.

I hope many others—journalists, public-spirited citizens and, above all, Members of Congress of both political parties—will join this crusade. This is an improvement which I feel positive will come in time. Every year that we delay, however, means the postponement of one of our most effective opportunities to cut the cost of government.

Let my remarks in no way be considered in disparagement of the splendid work done by the Subcommittee on Civil Functions, House Committee on Appropriations. Quite the contrary, I have never witnessed a more conscientious job than has been done this year under the able chairmanship of the gentleman from Wisconsin [Mr. DAVIS]. But this is the bill which either in this or the other

body illustrates the need for the President's power of item veto.

The governors of 39 of our 48 States now have this power. In many States they have the added authority to reduce any item in an appropriation bill. They are not confronted by the unwelcome dilemma—which so often confronts the Chief Executive—of being required to swallow many items of which they do not approve or else reject the entire measure. The President's choice is almost always to follow the former course. Veto of an appropriation measure is almost unheard of. The result is that items of doubtful merit frequently slip through—items that would be stricken out, to the benefit of the general public, if the President had power to eliminate them.

We need not resort to speculation about the actuality of savings arising

from the operation of this device in the States. During the past 5 years, these have ranged from \$50,000 in South Dakota to \$56 million in California. The potentialities for economy in the Federal exchequer are almost unlimited.

This is not a partisan matter. Every President in the last 50 years has made the same complaint that he is often forced to sign into law bills calling for the expenditure of funds which he does not approve. The present Director of the Budget is on record as enthusiastically favoring the item veto.

It is true that the power of the purse lies in the Congress and should be jealously guarded. It is equally true that at times appropriations are voted for expenditures that are not warranted, many of them for worthy purposes, but which could be eliminated or deferred.

Right now we are confronted with a budget of astronomical proportions for this next fiscal year. Drastic steps must be taken to eliminate or defer many projects and spending proposals if the budget is to be brought into balance—if taxes are to be reduced.

To accomplish real economy in government operation requires the full cooperation of both the executive and legislative branches of our Government. The President has voiced a sincere plea for strict economy. Congress should not deny him any weapon he can employ to bring about drastic reductions in non-defense, nonessential spending. We should open up our anti-inflation, pro-tax-cut arsenal by prompt enactment of legislation to enable the President to disapprove individual expenditures in appropriations bills.

Opposition to this legislation may be voiced in that it centers too great power in the President. Any step to enlarge Executive authority is certain to be viewed and very properly, with some skepticism. Generally speaking, it is the position of many Members, including my own position, that curtailment rather than enlargement of Executive powers is desirable. Particularly in the field of appropriations, the Congress has historically been reluctant to yield any part of its control of governmental operations.

Although as a general principle, I am opposed to the grant of more power to the Executive branch of our Government, I think we have reached the point where, on balance, the stern necessities of fiscal solvency should outweigh our concern, proper as it is, for legislative sovereignty.

It is true, of course, that the President might strike out some pet project of an individual Member and that action would stand, unless revised by a two-thirds vote. But that is a chance I am prepared to take. I believe that, by and large, the people of this country would prefer to run the hazard that some particular Federal project might be curtailed if they were reassured by the prospect of achieving a substantial overall reduction in spending.

I can think of no single action which the Congress could take which would be more likely to bring about long-range

and substantial savings of the taxpayers' dollars than to provide for the Executive item veto.

This is our opportunity to prove that we mean what we say about economy and are not rendering lip service only. Admittedly, from time to time, the item veto will step on congressional toes. Do we have the courage to endure that pain in order to serve the larger good of the entire Nation? I believe we do and that we would be applauded for evidencing that fact.

The article follows:

ITEM VETO: A NEEDED TOOL

(By Richard L. Strout)

WASHINGTON.—The conscientious congressional reporter is impelled once a year to write about the item veto, and this appears to be the right season, with the first crocus.

If President Eisenhower had the right to pick out and reject certain projects in the great new appropriation bills now before Congress he could save the Nation hundreds of millions of dollars. But he doesn't have that power. He must take whatever Congress offers to him as a whole, even if some quite extraneous and ill-advised matter has been inserted in a crucial appropriation bill.

Practically all political scientists deplore this situation, and there is every reason to believe that they will keep on deploring it for years to come. Congress seems in no mood to give the President the tool he badly needs. But at least the well-informed citizen can be familiar with the matter and—who knows—someday somehow it may come to a vote.

Every President in the past 50 years or so has observed sadly that he often must sign bills calling for expenditures which he does not approve because to veto the parent bill would deprive some essential Government department of the funds to operate.

Of the 48 States, some 39 give their governors the item veto power, but the Chief Executive of the biggest Government of all lacks the authority. It is like a soldier who can drop an atom bomb if he wants to, but must never use a rifle. For the President, it is all or nothing. Yet so many things in life are not all good or all bad but a mixture which can be improved by a little judicious pruning. That power to prune is not offered to Mr. Eisenhower.

It is hard to think of any single device that would do more to promote Federal economy than giving an item veto to President Eisenhower. Then he could weed out pork barrel projects from essential appropriation bills. Among those opposing change are, of course, those very Congressmen who stand to win by voting for each other's selfish local developments.

Many Congressmen genuinely feel, however, that Presidential power should be diminished, not increased. Many feel that the item veto would give the Executive too much power because it lies in the basic field of appropriations which are at the root of legislative control. The President might strike out pet projects of opponents and thus use the item veto to partisan advantage.

Representative KENNETH B. KEATING, Republican, of New York, has once more introduced bills to permit the item veto. One would follow the path of a constitutional amendment; another would seek the same result by amending a basic act passed in 1842 to provide that, for purposes of executive veto, each separate item appropriating money shall be considered a bill within the meaning of the Constitution. Mr. KEATING says he doesn't know which is the right way to proceed, so he is employing both methods.

As to opposing arguments, Mr. KEATING says he too dislikes increasing Presidential

power. But when the Nation faces an operating deficit year after year greater than the entire cost of running the Government 20 years ago, the time has come, he thinks, to reappraise our attitude and give the White House every tool for economy available.

Import Fees on Wool

EXTENSION OF REMARKS

OF

HON. WILLIAM H. HARRISON

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1954

Mr. HARRISON of Wyoming. Mr. Speaker, late Friday, February 1st, the Tariff Commission notified Members of Congress that the Commission's decision in regard to a request by the Department of Agriculture for increased import fees on wool, had been sent to the White House for final decision by the President. We have no knowledge as to whether the decision recommended the establishment of additional import fees or not. If it did, we have no knowledge, of course, of the amount of such increase recommended.

The decision is a result of hearings held last August and September by order of the President upon application of the Department of Agriculture. They were held under section 22 of the Agricultural Act of 1949, which prescribes that when imports are damaging a support program of the Government, that relief can be had by either the establishment of quotas or by the establishment of additional import fees. The Department of Agriculture testified that imports were damaging the wool loan support program. The wool growers backed the position of the Department of Agriculture.

Because there is legislation pending which would change the support program, there might be some confusion as to the need to secure this increased import fee. The need, however, is even greater now than it was at the time of the hearings last year and both the Department of Agriculture and the wool industry have been seeking this relief with two hearings in the last 20 months.

The support program under the Agricultural Act of 1949 is still in effect and is not working because of these imports from low cost countries which are selling wool in the United States market at below our cost of production.

Even if a new program is adopted by the Congress at this session, it will be some time before it can be put into effect and alleviate the need for increased import fees. The Department of Agriculture has nearly 100 million pounds of wool in a Government-owned stockpile, from the 1951 and 1952 clips, which it has been unable to market in competition with these low price imports. There are approximately 35 million pounds of 1953 clip wool under appraisal by the Government for loan and possible foreclosure on April 30 of this year. That figure may be much higher on the 1953 clip wools which will go into the Government stockpile prior to the closing date,

if these additional import fees are not imposed. Orderly disposition of the Government stockpile is an essential part of transition into any new wool program the Congress may adopt and it would require additional import fees to accomplish this without loss to the Government and a further breaking of the market price for the domestic grower.

It seems to me most urgent that the President take rapid action to impose sufficient additional import fees on wool to protect the support program. There is absolutely no need for the Government to maintain a costly stockpile of domestic wool at taxpayers' expense when it can be sold into the market by the imposition of 12 cents per clean pound import fee, at least until and if the Congress adopts the new administration proposed wool program.

It is important to both the industry and the Government to dispose of this unnecessary inventory, which can be done through additional import fees. Then in the general public's mind, wool would not be classed in the same category with butter, which is stockpiled even with import quotas in effect. Wool is produced in such deficiency supply in this country that imposition of these fees would enable it to move into domestic consumption.

Should Kill Market Orders

EXTENSION OF REMARKS

OF

HON. ALVIN E. O'KONSKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1954

Mr. O'KONSKI. Mr. Speaker, the time has come to declare war on the Federal milk market orders as handled in the East and South. Dairymen there have actually been heavily subsidized and have used that subsidy to steal markets from Wisconsin milk.

Look at these figures. Class I-A price for February in the New York milkshed is about \$5.28. Yet the eastern dairyman will actually get only \$4.14 for the uniform price.

Class I-A average price for the first 6 months of 1954 is estimated at \$4.93. Uniform average price will be only about \$3.80. That is what the farmer actually gets. The extra milk is going into lower-priced manufactured products.

This means that milk production in the East has skyrocketed. Same in the South. There is often as much surplus milk as is bottled for fluid use.

When class I milk is way above uniform price you know production is high.

That surplus goes into ice cream, cheese, butter, and dried milk. And it competes with Midwest milk. And the surplus has been built up because the ridiculously high class I price has made dairying profitable in those areas.

Secretary Benson has talked about correcting the unfairness of the present milk-marketing system. He could do a lot to redeem himself in the eyes of Wisconsin dairymen if he would clean it up or resign.

Civil Functions, Department of the Army Appropriation Act, 1955

EXTENSION OF REMARKS

OF

HON. FRAZIER REAMS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1954

Mr. REAMS. Mr. Speaker, this bill, the civil functions of the Department of the Army Appropriation Act for 1955, H. R. 8367, provides for \$2,124,000 for procurement of headstones for the graves of veterans during fiscal 1955. The anticipated number of applications to be received in fiscal year 1955 is 87,340. This is apparently based on an estimate of 101,510 markers to be purchased during the coming fiscal year. These markers come in seven types, the average price of which is \$20.10. There must be added, however, to this price the cost of procurement and shipping. No figures are available but certainly when the total cost of the administration in this branch of the Army amounts to approximately one-half million dollars it is reasonable to assume that an additional cost of \$5 for each marker is normal.

I do not wish to suggest that \$25 for a headstone or grave marker for the veterans of our wars is too large a price to pay if value is received. The fact is, however, the issuance of seven types of grave markers for veterans' graves is not at all satisfactory to all families of veterans. Therefore, I introduced at the beginning of the last session of this Congress, H. R. 1302 to authorize the Secretary of Defense to make a monetary allowance in lieu of headstones or markers for certain graves.

This bill would permit the Army to furnish to the next of kin of a veteran \$25 in lieu of the headstone which is now offered. I introduced this bill at the request of many veterans in the interest of correcting a wasteful and unsatisfactory situation which exists under the present practice.

The standard practice now is for the family of a deceased veteran to order a headstone or gravemarker through the Veterans' Administration. Very few fail to order and eventually to secure this standard type of marker. In many cases they are ordered because they are free and never are placed on the graves. They frequently do not match up with the other stones on the family burial plot. The family then purchases a suitable and satisfactory stone and this one which the Army has bought is discarded.

Under this bill which I have introduced the Secretary of Defense upon receipt of the administrator or executor of the estate, or next of kin, of proper proof that there has been purchased and received a marker or headstone chosen by the next of kin with the consent of the administrator or executor which will conform with monumental work upon the family plot or with those in the vicinity, is authorized to make an allowance not to extend \$25 in lieu of furnishing a headstone. This is not only in

keeping with our principles of free enterprise but it offers the opportunity to the family of the veteran to have a marker which will better express the feeling of love and respect which they desire to show for the veteran. It will surely carry out our Government's desire to properly mark the graves of its veterans. It will permit the family to choose a suitable marker in keeping with their ability to pay. If the family cannot afford to pay more than \$25 they still have the choice of getting the marker from the Government or to use the money to purchase one from their local monument builder. They can at least have the choice of the color of stone and type of inscription.

This will insure that the Government will not be spending \$25 or more in furnishing a marker which will never be used. It will give to those desiring to spend more money a contribution toward a more costly and elaborate monument. It will also, Mr. Speaker, assure the Government that the wasteful practice of having these monuments ordered and then not used will be ended.

I recognize that under this appropriation bill which we are now considering that no amendment is available to change the method of making provision for grave markers for our veterans. I am calling this to the attention of the Members of the House at this time because I feel that when we are appropriating for the year of 1955, \$2,124,000 that we should consider the adoption of H. R. 1302 which will save the taxpayers money and give to the families of our deceased veterans the kind of marker which they desire for the graves of their loved ones.

Dairymen Deserted Again

EXTENSION OF REMARKS

OF

HON. ALVIN E. O'KONSKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1954

Mr. O'KONSKI. Mr. Speaker, dairymen may feel that they were dealt a blow when the Government whacked such a big chunk off butter and cheese supports. But they should not have been greatly surprised.

Washington never has worried much about milk producers. Look what has happened during the last 25 years.

Corn-hog, wheat, and cotton growers were bailed out by New Deal farm programs in the black depression years during the 1930's. Dairying had to muddle through the best it could.

Not only that, but Government programs put many outsiders into the milk business. Acres diverted from corn, cotton, and wheat went into grass and grass went into cattle.

Milk suddenly became important during the war. Incentive payments were used to coax more milk out of the butter and cheese areas. Everybody needed Midwest milk then. Wisconsin and nearby States went all out.

The flood of milk eventually started backing up. The word "surplus" reared its ugly head. So down comes Benson's hatchet and Midwest dairying is cut back to size. And once again the Midwest dairyman goes through the wringer.

Getting sick of it? Benson should resign.

Table Rock Dam and Reservoir, Ark. and Mo.

EXTENSION OF REMARKS

OF

HON. GLENN R. DAVIS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1954

Mr. DAVIS of Wisconsin. Under permission to revise and extend my remarks on the civil functions appropriation bill, 1955, in the RECORD, I include herewith a report of the Committee on Appropriations on the Table Rock Dam and Reservoir, Ark. and Mo.:

TABLE ROCK DAM, MO. AND ARK.

The civil functions appropriations bill, 1954, provided \$1 million for construction of Table Rock Dam, Mo. and Ark., subject to the following language in the conference report:

"The conferees are in complete accord that no further construction is to be commenced at Table Rock Dam, Ark. and Mo., until approval has been obtained from the Committees on Appropriations of the House of Representatives and of the Senate. It is the desire of the conferees that a study be made of the project by the Corps of Engineers as to the need for power in the area, the ability of present governmental facilities and private power utilities to meet any future need that might exist and the adequacy of the present estimated cost of the project. Such study should be presented to the above-mentioned committees not later than January 1, 1954. There exists at the present time authorization for appropriations of \$169 million in the White River Basin, of which \$118,143,000 has been appropriated through fiscal year 1953. The conferees are in accord that should the revised estimated cost of Table Rock Dam, when added to the balance of authorizations remaining, exceed that amount, proper legislative authority should be obtained from the Congress for the authority to appropriate funds in excess of the present authorization."

The amount of \$2,349,546 is estimated in the President's budget, 1955, to be available for further construction of this project. The committee approves the resumption of construction and the use of these funds in the manner contemplated by the Corps of Engineers in testimony before the committee on January 26, 1954, subject to the following limitations:

1. Approval of the revised project by the Public Works Committee of the House of Representatives prior to the obligation of construction funds. This is essential since there have been major modifications in the project since authorization to the extent that the present estimated total cost of the Table Rock project when coupled with funds appropriated for other projects in the comprehensive White River Basin program exceed the funds authorized for appropriation in this basin.

2. Specific allocations of costs and annual charges were presented to the committee as part of the above-mentioned study. Use of the above-mentioned funds are approved

with the specific understanding that these allocations are to be used to set power rates for marketing the energy to be generated by his project. So that there will be no misunderstanding on this matter, the following excerpt from the report of the Corps of Engineers on power aspects of the Table Rock Dam and Reservoir is quoted:

"Of the total estimated cost of the project (\$78,610,000), \$17,160,000 would be allocated to flood control and \$61,450,000 to power. Of the total annual charges (\$3,241,000), \$2,540,000 would be allocated to power. An equivalent expression of annual charges for power is 4.7 mills per kilowatt-hour of the average annual energy produced."

Should actual cost experiences or other factors call for deviations from this allocation it will be expected that they will be submitted to this committee for approval.

Short Explanation of the Purpose of H. R. 8193

EXTENSION OF REMARKS

OF

HON. LOUIS E. GRAHAM

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1954

Mr. GRAHAM. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following short explanation of the purpose of H. R. 8193, to amend the Refugee Relief Act of 1953, which passed the House on Monday, March 15, 1954, being No. 296 on its Consent Calendar.

The Refugee Relief Act of 1953, enacted on August 7, 1953, allocated, among other things, 60,000 immigrant visas to Italian nationals and 17,000 immigrant visas for Greek and Dutch nationals, respectively. All 3 allocations are divided into 2 categories: First, for refugees, which is a term defined in the law; and, second, for close relatives of American citizens and aliens admitted for permanent residence.

The first 7 months of operation have shown that there is a greater demand for visas which will permit to unite families of United States citizens than there is for refugees who have no relatives in the United States.

H. R. 8193 permits the Administrator of the law to use the allocations in either the refugee or the family-preference group, according to current demand.

No numerical allocations are being increased under H. R. 8193.

In addition to this feature, H. R. 8193 would facilitate the entry of orphans under 10 years of age by exempting them from the so-called certificates of readmission to the country from which they emigrate to the United States.

Another feature will permit the adjustment of status to refugees who succeeded in escaping from countries practicing political persecution and are in the United States, having entered this country lawfully but in a temporary, rather than a permanent, status.

In this case again, the allocation of 5,000 refugees who may qualify for the adjustment of status is not being increased.

Veterans' Hospital at Wood, Wis.

EXTENSION OF REMARKS

OF

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1954

Mr. ZABLOCKI. Mr. Speaker, being keenly aware of the serious need for additional hospital and domiciliary facilities of the Veterans' Administration at Wood, Wis., which serves veterans of Milwaukee County and surrounding area, I have sometime ago introduced the following bill intended to remedy that situation:

A bill to authorize the construction of a new general medical-surgical hospital at the Veterans' Administration Center, Wood, Wis., and for other purposes

Be it enacted, etc., That the Administrator of Veterans' Affairs is hereby authorized and directed to construct a new modern fireproof Veterans' Administration general medical and surgical hospital of 1,500 beds, with necessary auxiliary structures, on a suitable site at the Veterans' Administration Center, Wood, Wis.

Sec. 2. The Administrator of Veterans' Affairs is further authorized and directed to convert the existing hospital buildings and facilities at the Veterans' Administration Center, Wood, Wis., for use as a domiciliary, to which, upon completion and opening of the new Veterans' Administration hospital, herein authorized, or as soon thereafter as possible, shall be transferred all eligible veterans receiving domiciliary care at such center.

Sec. 3. The Administrator of Veterans' Affairs is further authorized and directed to survey the existing domiciliary buildings and facilities at the Veterans' Administration Center, Wood, Wis., and, upon completion of the new hospital construction and conversion of the existing hospital to a domiciliary, herein authorized, to abandon and raze any or all of such existing domiciliary buildings and facilities as he finds to be obsolescent or inadequate for further use.

Sec. 4. There are hereby authorized such sums as may be necessary to carry out the purposes of this act.

Mr. Speaker, I also wish to commend to the attention of the Members of this body the following resolution adopted by the Milwaukee County Council of the Veterans of Foreign Wars of the United States; the council is composed of 37 posts and equal number of auxiliaries, and it has been actively supporting the proposed new Veterans' Administration hospital at Wood, Wis.:

RESOLUTION OF MILWAUKEE COUNTY COUNCIL, VETERANS OF FOREIGN WARS OF THE UNITED STATES

Whereas the Milwaukee County Council, composed of all Veterans of Foreign Wars posts and auxiliaries in the 4th and 5th districts of Wisconsin, recognize the very definite need for a new hospital at Wood, Wis.; and

Whereas the old hospital could be utilized to house domiciliary activities and thus eliminate the present unsafe, untenable, and unsightly domiciliary building; and

Whereas the present hospital has inadequate and outmoded facilities and is highly crowded and inconvenient, awkward to work in, rearranging and remodeling could not correct the errors; and

Whereas Wood, Wis., because of the proximity of nationally known medical schools and the large number of experts in the medical field located in Milwaukee, would be ideally located for the building of such a hospital; and

Whereas the present hospital bed capacity at Wood, Wis., is inadequate to care for American Veterans of All Wars: Now, therefore, be it

Resolved, That a new hospital be requested at Wood, Wis., in an area adjacent to the existing hospital building; and be it further

Resolved, That copies of this resolution be forwarded to each of our United States Senators and each of the Congressmen from the State of Wisconsin, and to H. V. Higley, Administrator of Veterans Affairs.

HANS M. CHWOROWSKY,
Commander.

Benson Wields the Meat Axe

EXTENSION OF REMARKS

OF

HON. ALVIN E. O'KONSKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1954

Mr. O'KONSKI. Mr. Speaker, Wisconsin farmers have a right to be highly disgusted with Secretary Benson's meat-axe approach to dairy surplus problems. It could have been done more intelligently.

Why chop supports the full legal limit at one crack? We have felt that the present 90-percent supports would have to be gradually lowered. Maybe 5 percent at a time. That would give dairymen a chance to make adjustments.

We do not believe that the Government should guarantee 100-percent parity to dairymen or any other group. This would mean marketing quotas on every farm. The Government would have a hand in every move you made. None of that.

Lower supports slowly if necessary, we say. Use compensatory payments to make up the difference between market and support prices. Use food stamp plans to move the surplus to needy folks. This is a more sensible approach. Benson has not met the test.

Hungarian Freedom Day

EXTENSION OF REMARKS

OF

HON. LOUIS B. HELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 16, 1954

Mr. HELLER. Mr. Speaker, 106 years ago Hungarian patriots, led by Louis

Kossuth, dedicated themselves to the task of gaining the independence and freedom of Hungary from Hapsburg rule. That day, March 15, 1848, has since become for the Hungarian people their Freedom Day. It also marks a day of rededication to the cause of Hungary's freedom from the forces of tyranny and despotism which are in control of that country today.

Just as in the days of Kossuth, more than a century ago, Hungarians everywhere are once again waging a struggle for the freedom of their country. The arrest and torture of Cardinal Mindszenty by the Communists has not broken the spirit and the yearning of the Hungarian people to regain their freedom. The American people have followed with great sympathy the plight which has befallen the Hungarian people and we have on numerous occasions protested the atrocities perpetrated against them by the ruthless Communist rulers.

On the occasion of the anniversary of Hungary's traditional Freedom Day, we share in the aspirations of Hungarians everywhere for the liberation of their people. We extend our greetings and express our hopes that Hungary will soon regain its independence from the yoke of communism. Their cause is a righteous one, they deserve our encouragement in their struggle for a free and independent Hungary.

SENATE

WEDNESDAY, MARCH 17, 1954

(Legislative day of Monday, March 1, 1954)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Almighty God, fountain of all life, from whom cometh all serenity and certainty, flow into us as a deep and healing stream this day and let little things be submerged in great things and the fretful anxieties of time be seen in the quiet horizons of the eternal.

Open our eyes, we pray, to the futility of changing maps without changing men. Solemnize us with the consciousness that we cannot give to the world that which we ourselves do not possess. In these days, wherein the souls of men are sorely tried, when so much is demanded of those who would serve the present age, grant us the divine strength and grace that we may prove worthy of every trust the Nation commits to our hands, as on the anvil of vast issues there slowly takes shape the new and better world that is to be. In the Redeemer's name we ask it. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, March 16, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Tribbe, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed, without amendment, the following bills of the Senate:

- S. 54. An act for the relief of Juan Ezcurra and Francisco Ezcurra;
- S. 316. An act for the relief of Vera Lazaros and Cristo Lazaros;
- S. 551. An act for the relief of Mamertas Cvirka and Mrs. Petronele Cvirka;
- S. 850. An act for the relief of Alice Power and Ruby Power;
- S. 931. An act for the relief of Vilhjalmur Thorlaksson Bjarnar;
- S. 1038. An act for the relief of Silva Galjevscek;
- S. 1137. An act for the relief of Utako Kanitz;
- S. 1440. An act for the relief of Paolo Danesi;
- S. 1652. An act for the relief of Robert A. Tyrrell; and
- S. 2073. An act for the relief of Esther Wagner.

The message also announced that the House had passed the bill (S. 214) for the relief of Geraldine B. Mathews, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

- H. R. 683. An act for the relief of George P. Symnlotis;

- H. R. 970. An act for the relief of George Economos;
- H. R. 1509. An act for the relief of Sahag Vartanian;
- H. R. 1755. An act for the relief of Theresa Mire Piantoni;
- H. R. 1784. An act for the relief of Rito Solla;
- H. R. 2385. An act for the relief of Giuseppe Fruscione;
- H. R. 2404. An act for the relief of Tibor Horanyi;
- H. R. 2406. An act for the relief of Andor Gellert;
- H. R. 2791. An act for the relief of Esther E. Ellicott;
- H. R. 3008. An act for the relief of Esther Smith;
- H. R. 3109. An act for the relief of Theodore W. Carlson;
- H. R. 3349. An act for the relief of Mrs. Margaret Burdo;
- H. R. 3672. An act for the relief of Clyde M. Litton;
- H. R. 3751. An act for the relief of Alexandra S. Balasko;
- H. R. 3756. An act for the relief of Allen Pope, his heirs or personal representatives;
- H. R. 3854. An act to authorize the sale of certain public land in Alaska to the Turnagain Arm Community Club of Anchorage, Alaska;
- H. R. 3876. An act for the relief of Martha Schnauffer;
- H. R. 3970. An act for the relief of Bernhard F. Elmers;
- H. R. 4099. An act for the relief of Lee Siu Shee;
- H. R. 4135. An act for the relief of George Telegdy and Julia Peyer Telegdy;
- H. R. 4475. An act for the relief of Curtis W. McPhail;
- H. R. 4532. An act for the relief of Mrs. Ann Elizabeth Caulk;
- H. R. 4713. An act for the relief of Paul E. Milward;
- H. R. 4864. An act for the relief of Mrs. Hildegard Noel;